

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2015

NEW ISSUE– BOOK ENTRY-ONLY

RATINGS: See "Ratings" herein.

In the opinion of Bond Counsel, assuming compliance by the Issuer with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2015A Bonds will be excluded from gross income for federal income tax purposes of the holders thereof. Interest on the Series 2015A Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, a portion of the interest on the Series 2015A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX EXEMPTION" herein for a description of other tax consequences to holders of the Series 2015A Bonds.

\$ _____ *
**SUNSHINE STATE GOVERNMENTAL FINANCING COMMISSION
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2015A
(CORAL GABLES PROGRAM)**

Dated: Date of Issue

Due: As provided herein

The Sunshine State Governmental Financing Commission (the "Issuer") is authorized pursuant to Florida law and pursuant to a Trust Indenture, dated as of November 1, 2015 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee, to issue its \$ _____ * Capital Improvement Revenue Bonds, Series 2015A (Coral Gables Program) (the "Series 2015A Bonds"). Proceeds of the Series 2015A Bonds will be loaned (the "Loan") to the City of Coral Gables, Florida (the "City" or "Governmental Unit") to provide funds to finance certain capital projects in and for the Governmental Unit.

The Governmental Unit will enter into a 2015 Loan Agreement, dated as of November 1, 2015 (the "2015 Loan Agreement") with the Issuer pursuant to which it will obligate itself to repay the Loan. The Series 2015A Bonds shall bear interest, at the interest rates and maturing in the amounts as set forth on the inside cover hereof. Payment of Loan Repayments (as defined in the 2015 Loan Agreement) is secured as provided in the 2015 Loan Agreement by the Pledged Revenues, which consist of (i) certain Special Assessments on benefitted property as described herein, (ii) Non-Ad Valorem Revenues budgeted and appropriated as described below, and (iii) amounts on deposit in the Debt Service Fund established under the Indenture. See "SECURITY FOR THE 2015 LOAN AGREEMENT" herein. The City is the only governmental unit obligor under the Issuer's program authorized by the Indenture. As described herein, the Issuer is, on or about the date of issuance of the Series 2015A Bonds, issuing \$ _____ * in aggregate principal amount of its Capital Improvement Revenue Bonds, Series 2015B to finance certain separate improvements in and for the Governmental Unit, said indebtedness to be secured by a covenant to budget and appropriate Non-Ad Valorem Revenues on the same basis as that contained in the 2015 Loan Agreement. In addition, on or about the date of issuance of the Series 2015A Bonds, the Governmental Unit expects to issue a separate bank loan in the approximate amount of

\$ _____* secured by a covenant to budget and appropriate Non-Ad Valorem Revenues on the same basis as the 2015 Loan Agreement. See "THE SERIES 2015A BONDS -- Plan of Finance; Additional Series of Bonds" herein. The Issuer may establish separate series of Bonds under the Indenture, secured by separate future Loan Agreements.

The Series 2015A Bonds are subject to optional and mandatory redemption prior to maturity under the terms and conditions more fully described in this Official Statement. See "THE SERIES 2015A BONDS – Redemption," herein.

Interest on the Series 2015A Bonds is payable semiannually on each April 1 and October 1 commencing April 1, 2016. The Series 2015A Bonds are in fully registered form, initially registered 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 2015A Bonds. Purchases of beneficial interests in the Series 2015A Bonds will be made in denominations of \$5,000 or any integral multiple of \$5,000. Purchases of beneficial interests in the Series 2015A Bonds will be in book-entry only form, and purchasers of beneficial interests in the Series 2015A Bonds will not receive physical delivery of bond certificates. As long as DTC or its nominee is the registered owner of the Series 2015A Bonds, payments of the principal of and interest on the Series 2015A Bonds will be made directly to DTC or its nominee. See "THE SERIES 2015A BONDS – Book Entry-Only System" in this Official Statement.

The Series 2015A Bonds and all payments by the Issuer under the Indenture are limited and special obligations of the Issuer and are payable solely out of the Trust Estate (as defined in the Indenture) as authorized by the Constitution and laws of the State of Florida, including particularly the Act (as defined in the Indenture), and as provided in the Indenture. The Series 2015A Bonds and the Issuer's other obligations are solely and exclusively special and limited obligations of the Issuer and do not constitute or create an obligation, general or special, or debt, liability or moral obligation of the State or any political subdivision of the State (other than the Issuer to the extent provided in the Indenture and the Governmental Unit to the extent provided in the 2015 Loan Agreement).

The obligation of the City under the 2015 Loan Agreement is a special and limited obligation of the City and is payable solely from the sources described in the 2015 Loan Agreement. The 2015 Loan Agreement does not create a general indebtedness of the City within the meaning of any constitutional, statutory or charter provision or limitation, and the owners of the Series 2015A Bonds shall not have the right to compel the exercise of the ad valorem taxing power of the Governmental Unit or taxation of any real or personal property therein for the payment by the Governmental Unit of its obligations thereunder.

See the inside cover page for maturities, principal amounts, initial CUSIP numbers, interest rates and prices.

This Official Statement is being provided in connection with the offering and sale of the Series 2015A Bonds. The cover and inside cover pages contain certain information for quick reference only. It is not a summary of the transaction. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2015A Bonds are offered when, as and if issued by the Issuer, and accepted by the Underwriter, subject to the delivery of a legal opinion of Bryant Miller Olive P.A., Miami, Florida, Bond Counsel. Certain legal matters have been passed upon by James R. English, Counsel to the Commission, by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel, and by GrayRobinson, P.A., Miami, Florida, Underwriter's Counsel. Public Financial Management, Inc. is acting as financial advisor to the Issuer in connection with the issuance of the Series 2015A Bonds. It is expected that delivery of the Series 2015A Bonds will be made to DTC in New York, New York, on or about November ____, 2015.

CITIGROUP

Dated: November ____, 2015

MATURITY SCHEDULE

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

\$ _____

**Sunshine State Governmental Financing Commission
Capital Improvement Revenue Bonds,
Series 2015A
(Coral Gables Program)**

<u>Maturity (April 1)</u>	<u>Principal Amount</u>	<u>Initial CUSIP No.*</u>	<u>Interest Rate</u>	<u>Price</u>
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\$ _____ % Term Bonds due April 1, ____ -- Price _____ - Initial CUSIP No. _____*

*Neither the Issuer nor the Governmental Unit shall be responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the reader of the Official Statement.

SUNSHINE STATE GOVERNMENTAL FINANCING COMMISSION

Christopher P. McCullion, Chair
City of Orlando, Florida

Frank P. Hinton, Vice-Chair
Miami-Dade County, Florida

Diana Gomez, Secretary-Treasurer
City of Coral Gables, Florida

Richard Iavarone, Director
Palm Beach County, Florida

Andrew Gillum, Director
City of Tallahassee, Florida

STAFF & CONSULTANTS

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Executive Director
Leon County, Florida

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Bryant Miller Olive P.A.
Bond Counsel

Richard Dowdy
Program Administrator

U.S. Bank National Association
Trustee

Public Financial Management, Inc.
Financial Advisor

Nabors, Giblin & Nickerson, P.A.
Disclosure Counsel

COMMISSION MEMBERS

City of Coral Gables
City of Coral Springs
City of Daytona Beach
City of Fort Lauderdale
City of Hollywood
City of Jacksonville
City of Lakeland
City of Miami
City of Miami Beach
Miami-Dade County
City of Orlando
Palm Beach County
Polk County
City of St. Petersburg
City of Tallahassee
City of Vero Beach

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER, THE GOVERNMENTAL UNIT OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER, THE GOVERNMENTAL UNIT OR THE UNDERWRITER. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISIONS OR SECTIONS IN THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2015A BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEF," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD LOOKING STATEMENTS. SUCH STATEMENTS MAY BE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD LOOKING STATEMENTS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT AS PROVIDED ON THE MUNICIPAL SECURITIES RULEMAKING BOARD'S ELECTRONIC MARKET ACCESS WEBSITE. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015A BONDS OFFERED HEREBY AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. ANY SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2015A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE INDENTURE OR THE 2015 LOAN AGREEMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE GOVERNMENTAL UNIT AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND INVESTMENT RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE SERIES 2015A BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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

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OFFICIAL STATEMENT

Regarding

\$_____*

**SUNSHINE STATE GOVERNMENTAL FINANCING COMMISSION
CAPITAL IMPROVEMENT REVENUE BONDS,
SERIES 2015A
(CORAL GABLES PROGRAM)**

INTRODUCTION

This Official Statement is being provided in connection with the issuance, offering and sale of the Sunshine State Governmental Financing Commission's \$_____* Capital Improvement Revenue Bonds, Series 2015A (Coral Gables Program) (the "Series 2015A Bonds"). The offering and sale by the Sunshine State Governmental Financing Commission (the "Issuer") to potential investors is made only by means of this entire Official Statement, including all appendices attached hereto.

The Issuer, pursuant to Florida law and pursuant to a Trust Indenture, dated as of November 1, 2015 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee, will issue the Series 2015A Bonds to provide a loan to the City of Coral Gables, Florida (the "City" or "Governmental Unit") to finance the cost of certain capital improvements in and for the Governmental Unit as described herein. See "THE PROGRAM," "THE SERIES 2015A BONDS" and "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," herein. The Series 2015A Bonds and any other Bonds issued pursuant to the Indenture, including the Series 2015B Bonds referenced below, are referred to herein as the "Bonds."

The Coral Gables Program was created by the Issuer in 1994, and the Issuer has issued other indebtedness for the City which is outstanding. See "SECURITY FOR THE 2015 LOAN AGREEMENT -- Other Obligations Payable From Non-Ad Valorem Revenues," herein. The Issuer has outstanding other series of indebtedness for other member governments, secured by separate trust indentures and loan agreements and unrelated to the Bonds, the Indenture and the 2015 Loan Agreement (as hereinafter defined). The Governmental Unit will enter into a Loan Agreement, dated as of November 1, 2015, with the Issuer (the "2015 Loan Agreement") pursuant to which it will obligate itself to repay the loan related to the Series 2015A Bonds (the "Loan"). See "SUMMARY OF CERTAIN PROVISIONS OF THE 2015 LOAN AGREEMENT," herein. Payment of Loan Repayments (as defined in the 2015 Loan Agreement) when due, is secured as provided in the 2015 Loan Agreement. See "SECURITY FOR THE 2015 LOAN AGREEMENT" herein. The City is the only governmental unit obligor under the program established by the Indenture.

*Preliminary, subject to change.

THE ISSUER

The Issuer is a public body corporate and politic, created in 1985 pursuant to an interlocal agreement and authorized under the State of Florida's intergovernmental cooperation laws to provide conduit financings to a limited number of qualified governmental entities in Florida. The Issuer is governed pursuant to an interlocal agreement and operates independently of its member governments under a five-member board of directors elected to rotating terms of office by the member governments. Governmental entities may participate in the services of the Issuer as a party to the interlocal agreement creating the Issuer or as a non-member participant.

The Issuer's membership consists of the following: City of Coral Gables, Florida; City of Coral Springs, Florida; City of Daytona Beach, Florida; City of Ft. Lauderdale, Florida; City of Hollywood, Florida; City of Jacksonville, Florida; City of Lakeland, Florida; City of Miami, Florida; City of Miami Beach, Florida; City of Orlando, Florida; City of St. Petersburg, Florida; City of Tallahassee, Florida; City of Vero Beach, Florida; Miami-Dade County, Florida; Palm Beach County, Florida; and Polk County, Florida. In addition, the City of Fort Pierce, Florida, the City of West Palm Beach, Florida and Leon County, Florida have participated in the Issuer's programs as non-members. Other Florida local governments may in the future become members or non-member participants, including units of government such as school districts or other special districts.

The Issuer is authorized by Chapter 125, Part I, Chapter 166, Part II and Chapter 159, Part I, Florida Statutes, as amended, and other applicable provisions of law (the "Act") to issue municipal bonds pursuant to its "Governmental Financing Program."

Since its inception in 1985, the Issuer has originated over \$3.071 billion in capital loans for its members and other borrowers under its Governmental Financing Program, which includes conduit debt issued as pooled financings for multiple borrowers and standalone financings for individual borrowers.

The Issuer's original debt offering of \$300 million in 1986 was issued as pooled, multi-modal variable-rate revenue bonds. All participant loans under the Series 1986 Program were retired and all outstanding Series 1986 revenue bonds redeemed in 2011.

The Issuer's multiple series commercial paper note program was created in 1994 and has issued approximately \$2.3 billion in pooled and non-pooled debt comprising twelve separate note offerings (Series A through Series L). Comprised of one remaining standalone series (Series H) with \$113.889 million of notes outstanding funding tax exempt and taxable loans for the City of Orlando, this program is referenced as the Orlando Program.

The Issuer's multimodal bond program was created in 2010 as a standalone program for Miami-Dade County to refund outstanding commercial paper note loans with the Issuer. The Miami-Dade County Program is comprised of fixed and variable rate loans totaling \$416.9 million.

The Issuer's fixed rate loan program was created in 1994 to provide long-term fixed rate financings for individual members, including the City of Jacksonville and the Governmental Unit. The fixed rate program is financed by issuing insured or non-enhanced, publicly-offered or privately-placed bonds with fixed principal and interest payments as needed to make loans to requesting borrowers. This program was restructured in 2011 as a standalone program for the Governmental Unit and is comprised of seven series of privately-placed bank loans totaling \$73.5 million as of October 1, 2015. This program is referenced as the "Coral Gables Program" or the "Program".

More information about Issuer and its financing programs can be found at www.ssgfc.com. The content of such website does not constitute a part of this Official Statement.

THE SERIES 2015A BONDS

General

The Series 2015A Bonds will be dated the date of their issuance and delivery and will be issued in registered form in denominations of \$5,000 and integral multiples of \$5,000, and will bear interest at the rates per annum and mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. The Series 2015A Bonds will be subject to the redemption provisions set forth below. Interest on the Series 2015A Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months and will be payable semiannually on each April 1 and October 1 (each, an "Interest Payment Date"), commencing April 1, 2016.

The Indenture provides for the issuance of other Series of Bonds under certain circumstances. The Series 2015A Bonds and other Bonds issued pursuant to the Indenture are referred to herein as the "Bonds."

Interest Accrual and Payment

The principal and premium of the Series 2015A Bonds shall be payable when due by check or draft, upon presentation and surrender of the Series 2015A Bonds at the Designated Office of the Trustee, and interest will be payable by check or draft mailed by the Trustee on each Interest Payment Date to the holders of the Series 2015A Bonds registered as such as of the Record Date; provided, however, that at the expense of and upon the written request of a holder of \$1,000,000 or more (or of all Series 2015A Bonds if less than \$1,000,000 shall be outstanding) interest will be paid by wire transfer to an account in the United States. The Record Date with respect to any Interest Payment Date is the fifteenth day of the calendar month preceding such Interest Payment Date. For so long as the book-entry only system of ownership of the Series 2015A Bonds is in effect, payments of principal, premium, if any, and interest on the Series 2015A Bonds will be made as described below under the caption "Book-Entry Only System."

All payments of principal of, premium, if any, and interest on the Series 2015A Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Redemption

Optional Redemption. The Series 2015A Bonds maturing on or after _____ 1, _____ will be subject to optional redemption prior to stated maturity by the Issuer, at the request of the Governmental Unit, in whole or in part, at any time on or after _____ 1, _____, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Scheduled Mandatory Redemption. The Series 2015A Bonds maturing on _____ 1, _____ are subject to mandatory redemption, in part, by lot, at redemption prices equal to 100% of the principal amount thereof plus interest accrued to the redemption date, beginning on _____ 1, _____ and on each _____ 1 thereafter, in the following principal amounts in the following years:

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

*

*Maturity, not a redemption.

Extraordinary Mandatory Redemption.

[to come]

[Purchase in Lieu of Redemption. In lieu of the optional redemption and cancellation of any Bonds, Bonds may be called for purchase by the Issuer using Available Moneys in lieu of optional redemption on the same dates and at the same purchase price as Bonds may be called for and redeemed as described above. Bonds so purchased by the Issuer in lieu of redemption may be either (i) delivered to the Trustee and cancelled or (ii) held by the Issuer and, upon receipt of an opinion of Bond Counsel to the effect that such sale will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any tax-exempt Bonds, subsequently sold by the Issuer. Notice of purchase and selection of Bonds for purchase pursuant to this paragraph shall be given or made and shall have the same effect as provided in the Indenture for notice and selection of Bonds for optional redemption; provided, that the notice shall be modified as necessary to reflect the purchase of Bonds in lieu of optional redemption.]

Procedure for Redemption. In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Bonds, which

notice shall specify the date fixed for redemption, the redemption price to be paid, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof, including CUSIP identification numbers (\$5,000 or any integral multiple thereof) to be redeemed. Such notice shall be given by first class mail at least 30 days prior to the redemption date to each registered owner of Bonds to be redeemed at its address as shall last appear on the registration books kept by the Trustee; provided, however, that failure to give such notice to any Bondholder or any person mentioned in the following sentence or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds. A copy of such notice shall also be sent by the Trustee to any person necessary to ensure compliance by the Issuer or the Trustee with applicable rules and regulations regarding such notices.

Security for the Series 2015A Bonds

As more fully described under the heading "SECURITY FOR THE 2015 LOAN AGREEMENT," below, the Series 2015A Bonds are secured by payments made by the Governmental Unit under the 2015 Loan Agreement. The Governmental Unit has pledged the proceeds of certain special assessments upon benefitted property within the Governmental Unit (the "Special Assessments," as more fully described herein) to secure the Loan. See "SECURITY FOR THE 2015 LOAN AGREEMENT -- Special Assessments," herein. In addition, the Governmental Unit has covenanted in the 2015 Loan Agreement to budget and appropriate in its annual budget, or by amendment, if necessary, sufficient amounts of Non Ad-Valorem Revenues to pay the Loan Repayments required under the 2015 Loan Agreement. The Governmental Unit has certain other obligations also secured by a covenant to budget and appropriate, and may incur additional indebtedness secured by a pledge of or payable from portions of its Non Ad-Valorem Revenues, subject to certain limitations set forth in the 2015 Loan Agreement. See also "SUMMARY OF CERTAIN PROVISIONS OF THE 2015 LOAN AGREEMENT" and "SECURITY FOR THE 2015 LOAN AGREEMENT", herein.

Plan of Finance; Additional Series of Bonds

The Issuer is issuing the Series 2015A Bonds on behalf of the Governmental Unit to finance certain capital improvements in and for the Governmental Unit, within the "Assessment Area", as described under the heading "SECURITY FOR THE 2015 LOAN AGREEMENT -- Pledge of Special Assessments – Levy of Special Assessments" herein. On or about the date of issuance of the Series 2015A Bonds, the Issuer intends to also issue its \$_____ * Capital Improvement Revenue Bonds, Series 2015B (Coral Gables Program) (the "Series 2015B Bonds") to finance separate improvements located in a different assessment area, for the City's Giralda Avenue Project. The Series 2015B Bonds will be issued under the Indenture, and will be secured by a separate loan agreement (the "2015B Loan Agreement"), which includes a covenant to budget and appropriate Non-Ad Valorem Revenues of the Governmental Unit on the same basis as the covenant securing the 2015 Loan Agreement, but will not be secured by the Special Assessments. The Indenture permits the Issuer to issue other separate series of Bonds secured by

*Preliminary, subject to change.

separate specified loan agreements with the Governmental Unit and by a credit facility provider or credit facility providers, if any. The Governmental Unit's obligation under said loan agreements, if also supported by a covenant to budget and appropriate Non-Ad Valorem Revenues, would be on the same basis as the Governmental Unit's obligations under the 2015 Loan Agreement and the 2015B Loan Agreement, but said loan agreements would secure only said separate Bonds. The 2015 Loan Agreement is designated to secure only the Series 2015A Bonds. In addition, the Governmental Unit has incurred certain other existing indebtedness secured by a covenant to budget and appropriate Non-Ad Valorem Revenues. See "SECURITY FOR THE 2015 LOAN AGREEMENT -- Other Obligations Payable from Non-Ad Valorem Revenues" herein. Finally, the Governmental Unit intends to issue a taxable bank loan (the "2015C Loan"), secured by a covenant to budget and appropriate Non-Ad Valorem Revenues on the same basis as the 2015 Loan Agreement, to finance certain additional improvements within the Assessment Area. Said 2015C Loan is expected to be in the approximate principal amount of \$_____ and mature in _____. See "SECURITY FOR THE 2015 LOAN AGREEMENT – Pledge of Special Assessments – Levy of Special Assessments" herein.

Book Entry-Only System

So long as the Series 2015A Bonds are held in book-entry form, the provisions below shall be applicable to such Bonds.

DTC, the world's largest 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 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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 Remarketing Agents, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Remarketing Agents, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and Remarketing Agents, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

The Holder of all of the Series 2015A Bonds shall be and such Series 2015A Bonds shall be registered in the name of CEDE & CO. ("Cede"), as nominee of DTC. Such Series 2015A Bonds are referred to herein as "Book-Entry Bonds." Payments of interest on and principal of such Book-Entry Bonds shall be made to the account of Cede on each maturity date at the address indicated for Cede in the registration books of the Issuer kept by the Trustee by transfer of immediately available funds with respect to Book-Entry Bonds.

The Book-Entry Bonds shall be initially issued in the form of a fully registered Bond. Upon initial issuance, the ownership of such Book-Entry Bonds shall be registered in the registration books of the Issuer in the name of Cede, as nominee of DTC. With respect to Book-Entry Bonds registered in the registration books in the name of Cede, as nominee of DTC, the Issuer and the Trustee shall have no responsibility or obligation to any direct or indirect participant of DTC (a "Participant") or to any Person for whom a Participant holds an interest in such Book-Entry Bonds (a "Beneficial Owner"). NEITHER THE ISSUER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS OF SUCH BOOK-ENTRY BONDS WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON SUCH BOOK-ENTRY BONDS OR OTHERWISE; (ii) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE INDENTURE; OR (iii) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF SUCH BOOK-ENTRY BONDS. NEITHER THE ISSUER NOR THE TRUSTEE HAS ANY DIRECT OBLIGATION OR RESPONSIBILITY TO DTC PARTICIPANTS OR BENEFICIAL OWNERS. The Issuer and the Trustee may treat as and deem DTC to be the absolute owner of each such Book-Entry Bond for the purpose of payment of the principal of and interest on such Book-Entry Bond, for the purpose of registering transfers with respect to the Book-Entry Bonds, and for all other purposes whatsoever. The Trustee shall pay all principal of and interest on such Book-Entry Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal of and interest on such Book-Entry Bonds. Payments of principal may be made without requiring the surrender of the Book-Entry Bonds. The Issuer and the Trustee shall not be liable for the failure of DTC or any successor thereto to properly indicate on the Book-Entry Bonds the payment of such principal. No Person other than DTC shall receive a Series 2015A Bond evidencing the obligation of the Issuer to make payments of principal of and interest pursuant to the Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Indenture, the word "Cede" in the Indenture shall refer to such new nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Book-Entry Bonds at any time by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is not a successor securities depository), certificated Series 2015A Bonds will be delivered in the amount, authorized denomination and names specified by DTC. A copy of such notice will be delivered promptly by the Issuer to the Trustee.

Upon the termination of the services of DTC with respect to the Book-Entry Bonds, or upon the discontinuance or termination of the services of DTC with respect to the Book-Entry Bonds after which no substitute securities depository willing to undertake the functions of DTC under the Indenture can be found which, in the opinion of the Issuer, is willing and able to undertake such functions upon reasonable and customary terms, the Series 2015A Bonds shall no longer be restricted to being registered in the registration books in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 2015A Bonds shall designate in accordance with the Indenture.

Notwithstanding any other provision of the Indenture to the contrary, so long as any Book-Entry Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal of and interest on such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, to DTC as provided in the Representation Letter of the Issuer addressed to DTC with respect to the Book-Entry Bonds.

THE PROGRAM

General

The Issuer is authorized by the Act to issue the Series 2015A Bonds pursuant to the Indenture and its "Coral Gables Program" (the "Coral Gables Program" or the "Program").

[On March 10, 2000, the Issuer validated \$600,000,000 in principal amount of bonds through judgment of the Circuit Court in and for Leon County, Florida, and on March 29, 2006, the Issuer validated an additional \$950,000,000 in principal amount of bonds in the Circuit Court in and for Leon County, Florida. The Series 2015A Bonds were validated under the March 29, 2006 judgment of validation.] The Special Assessments constituting a portion of the Pledged Revenues and security for the Loan Repayments (see "SECURITY FOR THE 2015 LOAN AGREEMENT -- Special Assessments"), were validated by judgment of the Circuit Court in and for Miami-Dade County, Florida dated February 6, 2015, the period for appeal of which has expired.

The Governmental Unit

The obligation of the Governmental Unit under a Loan Agreement does not constitute a general indebtedness of the Governmental Unit within the meaning of any constitutional or statutory provision or limitation and the Governmental Unit is not obligated to levy any ad valorem taxes for the payment therefor. Neither the full faith and credit nor the taxing power of the Governmental Unit, the State of Florida or any political subdivision thereof is pledged to such payment.

The amortization schedule of the 2015 Loan Agreement corresponds to the payment when due of principal and interest on the Series 2015A Bonds. The 2015 Loan Agreement obligates the Governmental Unit to pay when due principal of and interest on the Loan from the Pledged Revenues (as defined herein). The 2015 Loan Agreement does not obligate the Governmental Unit to pay directly debt service on the Series 2015A Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the Series 2015A Bonds:

SOURCES OF FUNDS:

Par Amount	\$
Net Original Issue Premium/Discount	
Other Sources of Funds.....	
TOTAL SOURCES	<u>\$</u>

USES OF FUNDS:

Deposit to Project Loan Fund	\$
Costs of Issuance ⁽¹⁾	
TOTAL USES.....	<u>\$</u>

⁽¹⁾ This includes legal fees, Underwriter's discount, rating agency fees, costs of printing and other incidental expenses.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following constitutes a summary of certain provisions of the Indenture. Reference is made to the Indenture for the full text thereof, the form of which may be obtained from the Trustee or the Issuer.

Definitions

The below-referenced capitalized terms have the following meanings:

"Act" shall mean, collectively, Chapter 125, Part I, Chapter 166, Part II and Chapter 159, Part I, Florida Statutes, as amended, and other applicable provisions of law.

"Authorized Denominations" means \$5,000 or any integral multiple thereof.

"Bondholder" or "Holder" or "Owner" or "Owner of Bonds" means, whenever used with respect to a Bond, the person in whose name the Bond is registered.

"Business Day" means any day of the year which is not a Saturday or Sunday or a day on which banking institutions located in New York City or the State are required or authorized to remain closed or on which the New York Stock Exchange is closed.

"Interest Payment Date" means with respect to the Series 2015A Bonds, April 1 and October 1 of each year.

"Investment Securities" means any of the following investments: (a) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury of the United States of America) or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, including (if such instruments become legal investments under the laws of the State for moneys held hereunder) instruments evidencing an ownership interest in securities described in this clause (a); (b) evidence of ownership of proportionate interest in Government Obligations described in clause (a) of this definition limited to circumstances wherein (i) a bank or trust company acts as custodian and holds the underlying obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (iii) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; (c) interest-bearing demand or time deposits (including certificates of deposit) in banks (including the Trustee) and savings and loan associations which deposits are fully insured by the Federal Deposit Insurance Corporation ("FDIC") or which are secured at all times by collateral security (described in clause (a) of this definition) in which the Trustee has a perfected first lien and which (i) is held by the Trustee or a third-party agent, (ii) is not subject to liens and claims of third-parties, (iii) has a market value (valued at least every 14 days) of no less than the amount of moneys so invested and interest accrued thereon; (d) investments in money-market funds rated "AAAm" or "AAAm-G" by S&P, and Moody's; (e) investment agreements or repurchase agreements (the maturity of which is less than thirty (30) days) with a bank or trust company organized under the laws of any state of the United States or with a national banking association, insurance company or government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of The Security Investors Protection Corporation or with a dealer which is rated (or the parent company of which is rated) "A" or above by S&P and Moody's if such investments are fully secured by FDIC or collateral security described in (a) of this definition, in which the Trustee has a perfected first lien and which (i) is held by the Trustee or a third-party agent during the term of such repurchase agreement, (ii) is not subject to liens or claims of third parties, and (iii) has a market value (determined at least once every 7 days) at least equal to 103% of the amount so invested and interest accrued thereon.

"Liquidation Proceeds" means amounts received by the Trustee or the Commission in connection with the enforcement of any of the remedies under a Loan Agreement after the occurrence of an "Event of Default" under a Loan Agreement which has not been waived or cured.

"Loan Repayment" means a payment of Basic Payment and Additional Payments by the Governmental Unit pursuant to a Loan Agreement of amounts which correspond to interest or principal on account of debt service on the applicable Series of Bonds or installments therefor, plus related fees and expenses, all in accordance with the Loan Agreement and the Indenture or any Supplemental Indenture related to the applicable Series of Bonds.

"Outstanding Bonds" or "Bonds outstanding" all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds deemed paid under the Indenture;
- (c) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

"Revenues" means all Loan Repayments paid to the Trustee for the respective Accounts of the Governmental Unit for deposit in the Revenue Fund and the Principal Fund to pay principal of, premium, if any, and interest on the Bonds upon redemption or, at maturity, or to pay interest on the Bonds when due, and all receipts of the Trustee credited to the Governmental Unit under the provisions of the related Loan Agreement.

"State" means the State of Florida.

Source of Payment of Bonds

The Bonds and all payments by the Issuer under the Indenture are limited and special obligations of the Issuer and are payable solely out of the Trust Estate established under the Indenture as authorized by the Constitution and laws of the State, including particularly the Act, and as provided in the Indenture. The Bonds are solely and exclusively special and limited obligations of the Issuer and do not constitute or create an obligation, general or special, or debt, liability or moral obligation of the State or any political subdivision of the State (other than the Issuer to the extent provided in the Indenture and the Governmental Unit to the extent provided in a Loan Agreement).

Funds and Accounts

The Trustee shall deposit or cause to be deposited in the Revenue Fund created under the Indenture all amounts which the Issuer or the Governmental Unit pays or causes to be paid to the Trustee, including Loan Repayments. The Trustee is also required to create a Principal Fund, Cost of Issuance Fund and Rebate Fund.

Pursuant to the 2015 Loan Agreement, the Governmental Unit is required to pay its Loan Repayments directly to the Trustee. Upon the receipt of Loan Repayments or Liquidation Proceeds, the Trustee shall deposit in the appropriate Account of the Principal Fund all payments or recoveries of principal of Loans or payments to be applied to the payment of any premium due upon optional redemption of the appropriate Series of Bonds.

Amounts in the appropriate Account of the Principal Fund are required to be used as follows: (1) to pay scheduled principal payments of the appropriate Series of Bonds and (2) to pay the principal of and premium, if any, on the appropriate Series of Bonds redeemed pursuant to the Indenture.

The Trustee shall deposit in the appropriate Account of the Revenue Fund all moneys remaining after the deposits to the Principal Fund required by the Indenture, as described above.

Amounts in the appropriate Account of the Revenue Fund shall be used to make the following payments or transfers in the following order of priority:

(1) On each Interest Payment Date, to pay interest due on the appropriate Series of Bonds;

(2) At such times as are necessary, to pay accrued interest due on the appropriate Series of Bonds redeemed pursuant to the Indenture.

(3) At such times as are necessary, to pay the fees and expenses of the Trustee (including the fees and expenses of its counsel), DTC, the Registrar and the Paying Agent (including the cost of printing additional Bonds) and the fees and expenses of the Issuer (including costs of issuing the Bonds if insufficient amounts are on hand in the Cost of Issuance Fund), any counsel consulted by the Issuer with respect to any Loan, or of independent Accountants employed pursuant to the Indenture; subject to receiving certain verifications as contemplated by the Indenture;

(4) On each Interest Payment Date of each year, all amounts remaining in an Account within the Revenue Fund, other than fees being collected in installments pursuant to the relevant Loan Agreement and amounts which will be credited against the Governmental Unit's next Loan Repayments, shall be deposited in the appropriate Account of the Principal Fund.

All moneys in any of the Funds and Accounts shall, at the written direction of the Issuer or the Governmental Unit, be invested and reinvested in Investment Securities by the Trustee as directed and designated by the Commission in a certificate of, or telephonic advice promptly confirmed by a certificate of the Commission. Investment Securities acquired as an investment of moneys in any Fund or Account shall be credited to such Fund or Account. For the purpose of determining the amount in any Fund or Account, all Investment Securities credited to any such Fund or Account shall be valued at market value on the date of determination; provided, however, that repurchase agreements shall be valued at the aggregate repurchase price of the securities remaining to be repurchased pursuant to such agreements and investment agreements shall be valued at the aggregate amount remaining invested therein (in each case exclusive of accrued interest after the first payment of interest following purchase).

All interest, profits and other income earned from investments (other than on Loans) of all moneys in any Fund or Account (except the Rebate Fund) shall be deposited when received in the appropriate Account of the Revenue Fund, except that an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the Fund or Account from which such accrued interest was paid.

Discharge of Indenture

If the Issuer shall pay or cause to be paid to the Owner of any Bond secured by the Indenture the principal of and interest due and payable, and thereafter to become due and payable, upon such Bond, or any portion of such Bond in the principal amount of \$5,000 or any

integral multiple thereof, such Bond or portion thereof shall cease to be entitled to any lien, benefit or security under the Indenture.

Any Bond shall be deemed to be paid within the meaning of the Indenture and for all purposes of the Indenture when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture), either (i) shall have been made or caused to be made in accordance with the terms of the Indenture, or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment (1) moneys sufficient to make such payment and/or (2) Governmental Obligations maturing as to principal and interest in such amounts and at such time as will insure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Trustee (including attorney's fees), Registrar, the Paying Agent and the Issuer pertaining to such Series of Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for.

Events of Default

If any of the following events occurs with respect to a Series of Bonds, it is defined as and declared in the Indenture to be and to constitute an "Event of Default" with respect to such Series of Bonds:

(a) Default in the payment of the principal of, premium, if any, or interest on any Bond of that Series after the principal or interest has become due, whether at maturity or upon call for redemption.

(b) Default in the performance or observance of any covenant, agreement or condition on the part of the Issuer contained in the Indenture or in the Bonds of that Series (other than defaults mentioned in (a) and (c)) and failure to remedy the same after notice of the default pursuant to the Indenture.

(c) If the Issuer shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute or the United States of America or of the State, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

Remedies

Upon the occurrence of an Event of Default with respect to a Series of Bonds, the Trustee shall have the following rights and remedies:

(a) The Trustee may, and in the case of an Event of Default under (c) above shall, pursue any available remedy at law or in equity or by statute, including the federal bankruptcy

laws or other applicable law or statute of the United States of America or of the State, to enforce the payment of principal of, premium, if any, and interest on the Bonds of such Series then Outstanding, including enforcement of any rights of the Commission or the Trustee under the related Loan Agreements.

(b) The Trustee may by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Owners of the Bonds of such Series and may then take such action with respect to the related Loan Agreements as the Trustee shall deem necessary or appropriate and in the best interest of the Bondholders, subject to the terms of the related Loan Agreements, including the sale of part or all of the related Loan Agreements.

(c) Upon the filing of a suit or other commencement or judicial proceedings to enforce any rights of the Trustee and of the Bondholders under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the related Trust Estate and of the Revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) The Trustee shall give written notice of its actual knowledge of any Event of Default to the Issuer as promptly as practicable after the occurrence of such Event of Default. **NOTWITHSTANDING THE FOREGOING OR ANY PROVISION CONTAINED IN THE INDENTURE TO THE CONTRARY, ACCELERATION OF A SERIES OF BONDS SHALL ONLY BE A REMEDY TO THE EXTENT SPECIFICALLY PROVIDED IN A SUPPLEMENTAL INDENTURE. ACCELERATION OF THE SERIES 2015A BONDS IS NOT A REMEDY UNDER THE INDENTURE. FURTHERMORE, IN THE EVENT AN EVENT OF DEFAULT HAS OCCURRED BECAUSE OF A DEFAULT UNDER LESS THAN ALL OF THE RELATED LOAN AGREEMENTS, THE TRUSTEE SHALL ONLY HAVE THE RIGHT TO DECLARE IMMEDIATELY DUE AND PAYABLE A PRINCIPAL AMOUNT OF THE OUTSTANDING BONDS OF SUCH SERIES IN AN AMOUNT EQUAL TO THE PRINCIPAL AMOUNT OF THE RELATED LOAN OR LOANS THEN IN DEFAULT. THE TRUSTEE MAY ONLY DECLARE BONDS OF SUCH SERIES IMMEDIATELY DUE AND PAYABLE AS ARE REASONABLY RELATED TO THE RELATED LOAN REPAYMENTS.**

If an Event of Default shall have occurred, upon request by the owners of 25% or more in aggregate principal amount of Outstanding Bonds of a Series affected thereby and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and power conferred above as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission in exercising any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default under the Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Right of Bondholders to Direct Proceedings

Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Outstanding Bonds of all Series affected thereby shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee and upon offering the Trustee the indemnity provided for in the Indenture, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided that such direction, in the Opinion of Counsel, shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Supplemental Indentures Without Bondholder Consent

The Issuer and the Trustee may, without the consent of or notice to any of the Bondholders, enter into any indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

- (a) To cure or correct any ambiguity or omission or formal defect in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the judgment of the Trustee, is not to the material prejudice of the Bondholders; provided however, in rendering such judgment, the Trustee may rely upon an opinion of Bond Counsel, the financial advisor to the Issuer, its own counsel or such other professionals as it may deem useful and/or necessary;
- (c) To subject to the Indenture additional revenues, properties or collateral; or
- (d) To modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

Before the Issuer and the Trustee shall enter into any such supplemental Indenture, there shall have been delivered to the Trustee an Opinion of Bond Counsel stating that such supplemental Indenture is authorized or permitted by the Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest accrued and to accrue on any tax-exempt Bonds.

Supplemental Indentures Requiring Bondholders' Consent

Exclusive of supplemental indentures described above and subject to the terms and provisions contained in the Indenture, and not otherwise, the Owners of not less than two-thirds in aggregate principal amount of the Outstanding Bonds affected thereby shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that nothing in the Indenture contained shall permit, or be construed as permitting (1) without the consent of the Owners of all then Outstanding Bonds affected thereby, of (a) an extension of the maturity date of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (e) the creation of any lien under the Indenture other than a lien ratably securing all of the Bonds at any time Outstanding under the Indenture, or (2) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

Amendments to Loan Agreements not Requiring Consent of Bondholders

The Issuer and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of any Loan Agreement that may be required (a) by the provisions of such Loan Agreement or to conform to the provisions of the Indenture, (b) for the purpose of curing any ambiguity or inconsistency or formal defect or omission, (c) so as to add additional rights acquired in accordance with the provisions of such Loan Agreement or (d) in connection with any other change therein which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Owners of the Bonds of the related Series; provided however, in rendering such judgment, the Trustee may rely upon an opinion of Bond Counsel, the financial advisor to the Issuer, its own counsel or such other professionals as it may deem useful and/or necessary.

Amendments to Loan Agreements Requiring Consent of Bondholders

Except for amendments, changes or modifications described above, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of any Loan Agreement without the mailing of notice and the written approval or consent of the Owners of not less than

two-thirds in aggregate principal amount of the Bonds of the related Series at the time Outstanding given and procured as provided in the Indenture. If at any time the Issuer and a Governmental Unit shall request the consent of the Trustee to any such proposed amendment, change or modification of a Loan Agreement, the Trustee shall, upon being satisfactorily indemnified as provided for in the Indenture, cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided by the Indenture with respect to supplemental indentures. Such notice, which shall be prepared by the Commission or its counsel, shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file with the Trustee for inspection by all Bondholders. Nothing contained in the Indenture shall permit, or be construed as permitting, a reduction of the aggregate principal amount of Bonds the Owners of which are required to consent to any amendment, change or modification of a Loan Agreement, a reduction in, or a postponement of, the payments under any Loan Agreement or any changes that affect the exclusion of interest on the tax-exempt Bonds from the gross income of the Holders thereof for purposes of federal income taxation, without the consent of the Owners of all of the Bonds of the related Series then Outstanding.

SUMMARY OF CERTAIN PROVISIONS OF THE 2015 LOAN AGREEMENT

The following is a summary of certain provisions of the 2015 Loan Agreement. Reference is made to the 2015 Loan Agreement for the full text thereof, the form of which may be obtained from the Trustee or the Issuer.

"Additional Payments" means payments related to the fees and expenses of the Issuer and the Trustee, certain taxes and other amounts as set forth in the 2015 Loan Agreement and described below.

"Basic Payments" shall mean those payments required under the 2015 Loan Agreement consisting of principal and interest in the amounts as set forth therein.

"Loan Repayment Date" means each April 1 and October 1, commencing April 1, 2016, or if such day is not a Business Day, the next preceding Business Day.

"Loan Repayments" means the Basic Payments together with Additional Payments payable by the Governmental Unit pursuant to the provisions of the 2015 Loan Agreement.

"Optional Prepayment Price" means the amount which the Governmental Unit may, in its discretion, pay the Trustee in order to prepay the Loan in full, which amount shall be equal to (i) the amount of any past-due or currently due Loan Repayments together with interest on such past-due Loan Repayments to the date of such payment in full at the rate or rates provided in the 2015 Loan Agreement; (ii) the amount required to pay principal of, premium, and interest to accrue to the redemption date on the Series 2015A Bonds to be optionally redeemed in accordance with the Indenture; (iii) any amount owed by the Governmental Unit with respect to Additional Payments; and (iv) any other amounts owing to the Issuer under the 2015 Loan Agreement.

Payment of Loan Repayments

The Governmental Unit shall pay to the order of the Trustee, for the account of the Issuer and as assignee of the Issuer, all Loan Repayments in lawful money of the United States of America. The Loan shall be repaid in Basic Payments consisting of (a) principal and (b) interest at the amounts set forth in the 2015 Loan Agreement. Such payments shall be all amounts necessary to pay the Series 2015A Bonds.

Payment of Additional Payments

By execution of the 2015 Loan Agreement, the Governmental Unit agrees to pay from Pledged Revenues on demand by the Issuer or the Trustee certain payments in addition to the Basic Payments. Such payments include:

(a) The annual fees of the Trustee; fees of the Registrar and Paying Agent; the annual fees or expenses of the Issuer, if any; and the fees of the rating agencies.

(b) All reasonable fees and expenses of the Issuer or Trustee relating to the Loan Agreement, including, but not limited to:

(1) the cost of reproducing the Loan Agreement;

(2) the reasonable fees and disbursements of counsel utilized by the Issuer and the Trustee in connection with the Loan, the Loan Agreement and the enforcement thereof;

(3) reasonable extraordinary fees of the Trustee following an Event of Default under the Loan Agreement;

(4) all other reasonable out-of-pocket expenses of the Trustee and the Issuer in connection with the Loan, the Loan Agreement and the enforcement thereof;

(5) all taxes (including any recording and filing fees) in connection with the execution and delivery of the Loan Agreement and the pledge and assignment of the Issuer's right, title and interest in and to the Loan and the Loan Agreement, pursuant to the Indenture (and with the exceptions noted therein), and all expenses, including reasonable attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof;

(6) any amounts due and owing by the Governmental Unit pursuant to the Tax Regulatory Agreement; and

(7) any general administrative expenses of the Issuer reasonably allocable to the Governmental Unit.

Optional Prepayment of Loan Repayments

The Loan may be prepaid (i) in whole by payment of the Optional Prepayment Price or (ii) in part on the dates and in the amounts on which the Series 2015A Bonds are subject to optional redemption as described above under the heading "THE SERIES 2015A BONDS -- Redemption – Optional Redemption". If, at any time, the Governmental Unit shall have paid, or shall have made provision for payment of the principal amount of the Loan, interest thereon and redemption premium, if any, with respect to the Series 2015A Bonds, then, and in that event, the pledge of and lien on the revenues pledged to the Issuer for the benefit of the holders of the Series 2015A Bonds shall be no longer in effect and all future obligations of the Governmental Unit under the 2015 Loan Agreement shall cease. For purposes of the preceding sentence, deposit of sufficient cash and/or Government Obligations (as defined in the 2015 Loan Agreement) in irrevocable trust with a banking institution or trust company, for the sole benefit of the Issuer, of which the principal and interest received will be sufficient to make timely payment of the principal, interest and redemption premiums, if any, on the Outstanding Series 2015A Bonds, shall be considered "provision for payment."

Security for Loan Repayment

Pursuant to the 2015 Loan Agreement, the Governmental Unit has pledged the Pledged Revenues, and has covenanted to budget and appropriate Non-Ad Valorem Revenues as described below to secure repayment of the Loan. See "SECURITY FOR THE 2015 LOAN AGREEMENT", herein. In addition to the pledge of Pledged Revenues, the Governmental Unit agrees to appropriate in its annual budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due into the appropriate fund or account created in the Indenture, sufficient amounts of Non-Ad Valorem Revenues of the Governmental Unit sufficient to satisfy the Loan Repayment as required under the 2015 Loan Agreement. Such covenant and agreement on the part of the Governmental Unit to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues in amounts sufficient to make all required payments as and when due shall have been budgeted, appropriated, deposited and actually paid into the appropriate fund or account. "Non-Ad Valorem Revenues" is defined in the 2015 Loan Agreement to include all revenues and taxes of the Governmental Unit derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for payment of Loan Repayments.

Upon receipt, the Governmental Unit has agreed in the 2015 Loan Agreement to deposit all proceeds of the Special Assessments, after payment of any collection costs and administration costs associated therewith (whether imposed by the Miami-Dade Tax Collector, Miami-Dade Property Appraiser, or otherwise), into the Debt Service Fund established by the 2015 Loan Agreement. All monies appropriated pursuant to the covenant to budget and appropriate Non-Ad Valorem Revenues set forth in the 2015 Loan Agreement shall likewise be deposited into the Debt Service Fund. Moneys in the Debt Service Fund will be used solely to pay the Loan Repayments.

[insert provisions re: issuance of additional debt secured by Special Assessments,
Series 2015C Loan]

Events of Default Defined

The following shall be "Events of Default" under the 2015 Loan Agreement and the terms "Event of Default" and "Default" shall mean (except where the context clearly indicates otherwise), whenever they are used in the 2015 Loan Agreement, any one or more of the following events:

(a) Failure by the Governmental Unit to timely pay any Loan Repayment or any other payment required to be paid under the 2015 Loan Agreement on the date on which it is due and payable;

(b) Failure by the Governmental Unit to observe and perform any covenant, condition or agreement on its part to be observed or performed under the 2015 Loan Agreement (other than for a failure under (A) above) for a period of not less than thirty (30) days, after notice thereof to the Governmental Unit by the Trustee or the Issuer, unless the Trustee and the Issuer shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Issuer or the Trustee, the Issuer and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Governmental Unit within the applicable period and diligently pursued until the failure is corrected;

(c) Any warranty, representation or other statement by the Governmental Unit or by an officer or agent of the Governmental Unit contained in the 2015 Loan Agreement or in any instrument furnished in compliance with or in reference to the 2015 Loan Agreement, was false or misleading in any material respect when made;

(d) The Governmental Unit or the Legislature of the State shall terminate the corporate existence of the Governmental Unit unless, in the reasonable opinion of the Issuer, adequate provision is made by law for the obligations of the Governmental Unit under the 2015 Loan Agreement;

(e) Any provision of the 2015 Loan Agreement material to the performance of the obligations of the Governmental Unit under the 2015 Loan Agreement shall at any time for any reason cease to be valid and binding on the Governmental Unit or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Governmental Unit or the Issuer (provided nothing in the 2015 Loan Agreement shall be construed to limit the right of the Governmental Unit to judicially determine if it is permitted by law to make indemnity arising under the 2015 Loan Agreement) or the Governmental Unit shall deny that it has any or further liability or obligation under the 2015 Loan Agreement;

(f) A petition is filed against the Governmental Unit under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of

any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days of such filing;

(g) The Governmental Unit files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(h) The Governmental Unit admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the Governmental Unit or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 60 days;

(i) An "Event of Default" of the Issuer under the Indenture shall have occurred; or

(j) The Governmental Unit shall be in default in the payment of any principal of or interest on any obligation for borrowed money or for the deferred purchase price of any property or asset (unless the failure to make payment of such deferred purchase price is consequent upon a contest or negotiation being diligently pursued) or on any obligation guaranteed by the Governmental Unit or in respect of which it is otherwise contingently liable beyond any period of grace stated with respect thereto in any such obligation or in any agreement under which any such obligation is created, or shall default in the performance of any agreement under which any such obligation is created if the effect of such default is to cause such obligation to become, or to permit any holder or beneficiary thereof, or a trustee or trustee on behalf thereof, with notice if required, to declare such obligation to be due prior to its normal maturity, and any of the foregoing may (in the reasonable judgment of the Issuer) have a material adverse effect on the ability of the Governmental Unit to perform its obligations under the 2015 Loan Agreement. Notwithstanding the foregoing sentence, in order to constitute an "Event of Default" under the 2015 Loan Agreement, any such amount must be for an amount in excess of \$1,000,000 or the debt or the obligation of the Governmental Unit must have been accelerated and be considered due and payable.

Remedies on Default

Whenever any Event of Default referred to above shall have happened and be continuing, the Issuer or the Trustee, in addition to any other remedies in the 2015 Loan Agreement or by law provided, have the right, at its or their option without any further demand or notice, to take such steps and exercise such remedies as described under the heading "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE -- Remedies", and, without limitation, take whatever other action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under the 2015 Loan Agreement or to enforce any other of its or their rights thereunder.

Continuing Disclosure

The 2015 Loan Agreement imposes certain continuing disclosure reporting requirements on the Governmental Unit, which reports are to be submitted to the Issuer as well as to the Municipal Securities Rulemaking Board. See "CONTINUING DISCLOSURE," herein. Such obligation to provide such disclosure to the Issuer may be modified by the Issuer and the Governmental Unit without notice to or consent of any Bondholder.

SECURITY FOR THE 2015 LOAN AGREEMENT

Special Obligation

THE OBLIGATION OF THE GOVERNMENTAL UNIT UNDER THE 2015 LOAN AGREEMENT SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE GOVERNMENTAL UNIT AS A "BOND" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE A SPECIAL OBLIGATION OF THE GOVERNMENTAL UNIT, PAYABLE SOLELY FROM THE PLEDGED REVENUES AND FROM AMOUNTS BUDGETED AND APPROPRIATED BY THE GOVERNMENTAL UNIT FROM NON-AD VALOREM REVENUES IN ACCORDANCE WITH THE TERMS OF THE 2015 LOAN AGREEMENT. NO HOLDER OF ANY BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE GOVERNMENTAL UNIT EXCEPT AS PROVIDED IN THE 2015 LOAN AGREEMENT. THE GOVERNMENTAL UNIT SHALL HAVE NO JOINT LIABILITY WITH ANY OTHER GOVERNMENTAL UNITS UNDER ANY OTHER PROGRAM OF THE ISSUER.

Covenant to Budget and Appropriate

Pursuant to the 2015 Loan Agreement, the Governmental Unit has covenanted and agreed to budget and appropriate in its annual budget, or by amendment, if required, and to pay when due directly to the Trustee for deposit into the appropriate Fund or Account created in the Indenture, sufficient amounts of Non-Ad Valorem Revenues of the Governmental Unit or other legally available funds sufficient to satisfy the Loan Repayments required under the 2015 Loan Agreement that are not paid by the Special Assessments. The Special Assessments described below under the heading "Pledge of Special Assessments" are expected to be sized to pay approximately 50% of the Loan Repayments to be made under the 2015 Loan Agreement, and the remaining portion of such Loan Repayments will be payable from Non-Ad Valorem Revenues budgeted and appropriated as described above. **In the event revenues derived from the Special Assessments are insufficient for any reason to pay the expected proportion of amounts due under the 2015 Loan Agreement to be paid from Special Assessments, the covenant to budget and appropriate Non-Ad Valorem Revenues will include funding any such shortfall.** "Non-Ad Valorem Revenues" is defined in the 2015 Loan Agreement to mean all revenues and taxes of the Governmental Unit derived from any source whatsoever other than ad-valorem taxation on real and personal property, which are legally available for payment of Loan Repayments.

Until such moneys are budgeted, appropriated and deposited as provided in the 2015 Loan Agreement, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Governmental Unit from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Governmental Unit to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Issuer or the Bondholders a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Governmental Unit. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds or other debt instruments). However, the covenant to budget and appropriate for the purposes and in the manner stated in the 2015 Loan Agreement shall have the effect of making available for the payment of the Series 2015A Bonds, in the manner described in the 2015 Loan Agreement, Non-Ad Valorem Revenues, and placing on the Governmental Unit a positive duty to budget and appropriate Non-Ad Valorem Revenues in an amount sufficient to make Loan Repayments as the same shall become due. Such covenant and agreement to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all required Loan Repayments, including delinquent Loan Repayments, shall have been budgeted, appropriated and actually paid to the Trustee for deposit into the appropriate Fund or Account. The Governmental Unit has further agreed that the obligations of the Governmental Unit to include the amount of any deficiency in Loan Repayments in each of its annual budgets and to pay such deficiencies from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth in the 2015 Loan Agreement and in the Indenture. Notwithstanding the foregoing or any provision of the Loan Agreement to the contrary, the Governmental Unit does not covenant to maintain or continue any activities of the Governmental Unit which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues.

The Series 2015A Bonds and the obligations evidenced thereby shall not constitute a lien upon any project financed with the proceeds of the Loan to the Governmental Unit, or on any other property of or in the Governmental Unit.

Additional Debt

The Governmental Unit may incur additional debt secured by or payable from all or a portion of its Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues for the prior two fiscal years was at least 2.00 times the maximum annual debt service of all debt (including all long-term financial obligations appearing on the Governmental Unit's most recent audited financial statements and the debt proposed to be incurred) to be paid from or secured by Non-Ad Valorem Revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources.

Interest on Variable Rate Debt (defined as, for purposes of calculating maximum annual debt service, if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination) shall be computed as follows:

- (1) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is less than or equal to 25% of the principal amount of all Debt (including the Debt proposed to be incurred), an interest rate equal to the higher of 12% per annum or The Bond Buyer 40 Index shall be assumed; or
- (2) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is more than 25% of the principal amount of all Debt (including the Debt proposed to be incurred), the maximum rate which could be borne by such Variable Rate Debt shall be assumed.

For purposes of any loan, including the Loan, where the lender obtains the right to put the loan back to the Governmental Unit at a specific date, the Governmental Unit shall assume that the loan is fully amortized over the full term (put is not exercised) when calculating maximum annual debt service. In the event that the Governmental Unit is required to fund a reserve fund, the funding of such reserve fund shall be included in the calculation of debt service. For purposes of calculating maximum annual debt service, Variable Rate Debt with a bullet maturity shall be deemed to amortize in up to 20 years on a level debt service basis.

Other Obligations Payable From Non-Ad Valorem Revenues

The Governmental Unit has other debt issues outstanding which are secured by a covenant to budget and appropriate legally available Non-Ad Valorem Revenues, which is the same source of security as for the 2015 Loan Agreement. In addition, the Governmental Unit proposes to incur obligations associated with the Issuer's Series 2015B Bonds and 2015C Loan, secured by a covenant to budget and appropriate Non-Ad Valorem Revenues. See "THE SERIES 2015A BONDS – Plan of Finance; Additional Series of Bonds". Such indebtedness is summarized below:

<u>Private Placement Revenue Bonds⁽¹⁾</u>	<u>Date of Origination</u>	<u>Original Loan Amount</u>	<u>Principal Balance⁽²⁾</u>	<u>Debt Type</u>
Series 2011B	June 30, 2011	\$2,440,000	\$1,525,000	TE ⁽³⁾ -Variable
Series 2011C	June 30, 2011	4,365,000	3,735,000	TX ⁽⁴⁾ -Variable
Series 2012	June 5, 2012	49,350,000	40,305,000	TE ⁽³⁾ -Fixed
Series 2013A	February 28, 2013	16,795,000	15,115,000	TE ⁽³⁾ -Fixed
Series 2013B	February 28, 2013	4,350,000	3,885,000	TX ⁽⁴⁾ -Fixed
Series 2014	August 12, 2014	3,770,000	3,435,000	TE ⁽³⁾ -Fixed
Series 2015B	December 19, 2014	<u>6,500,000</u>	<u>6,500,000</u>	TE ⁽⁴⁾ -Fixed
		<u>\$87,570,000</u>	<u>\$73,500,000</u>	

⁽¹⁾ Some principal amounts above are broken into several parts in the Governmental Unit's financial statements, based on use of the proceeds.

⁽²⁾ As of October 1, 2015.

⁽³⁾ Tax-Exempt.

⁽⁴⁾ Taxable.

The Series 2011B Bond originally issued in the amount of \$2,440,000 is a privately-placed, variable rate tax exempt bank loan with a final maturity of October 1, 2016, issued to refund certain prior indebtedness of the City. The Series 2011C Bond originally issued in the amount of \$4,365,000 is a privately-placed, variable taxable bank loan with a final maturity of October 1, 2032, also issued to refund prior indebtedness.

The Series 2012 Bond issued on June 5, 2012 in the amount of \$49,350,000 is a privately-placed, tax exempt bank loan at a fixed rate of 2.67% with a final maturity of October 1, 2031, to refund a series of prior indebtedness originally issued for various projects. The holder of the Series 2012 Bond has an option to put the loan back to the City on June 1, 2022.

The Series 2013A Bond was issued on February 28, 2013 in the amount of \$16,795,000 to partially advance refund the Governmental Unit's Series 2004A Bonds. The 2013A Bond is a privately-placed, tax exempt bank loan at a fixed rate of 2.40% with a final maturity of October 1, 2028. The Series 2013B Bond was issued on February 28, 2013 in the amount of \$4,350,000 to partially advance refund the Governmental Unit's Series 2004B Bonds. The 2013B Bond is a privately-placed, taxable bank loan at a fixed rate of 3.43% with a final maturity of October 1, 2028.

The Series 2014 Bond was issued on August 12, 2014 in the amount of \$3,770,000 for capital improvements related to the City's sewer system. The 2014 Bond is a privately-placed, tax exempt bank loan at a fixed rate of 2.42% with a final maturity of October 1, 2024.

The Series 2015B Bond was issued on December 19, 2014 in the amount of \$6,500,000 to acquire and improve the City's municipal communications system. The 2015B Bond is a privately-placed, tax exempt bank loan at a fixed rate of 2.503% with a final maturity of April 1, 2024. This Bond is different from the Series 2015B Capital Improvement Bonds described above and being issued on or about the date of issuance of the Series 2015A Bonds.

Each of the bonds referenced above are secured by covenants to budget and appropriate Non-Ad Valorem Revenues on a substantially similar basis to that contained in the 2015 Loan Agreement, including the right to accelerate payment of such indebtedness upon the occurrence of an event of default thereunder. The Governmental Unit does not at this point have outstanding indebtedness secured by a specific pledge of any Non-Ad Valorem Revenues. The Governmental Unit expects to issue through the Issuer in 2015 the Series 2015B Bonds in the approximate aggregate principal amount of \$_____, which will be secured in part by special assessments separate from the Special Assessments securing the Series 2015A Bonds, and to issue the 2015C Loan in the approximate aggregate principal amount of \$_____.

Pension and Other Post-Employment Benefits

See Appendix A attached hereto for information regarding the City's Employees Pension Plan and Other Post-Employment Benefits. As of October 1, 2014, the most recent valuation date, the funded ratio of the Pension Plan was 56.6%.

Debt Service Schedule

Set forth below is the scheduled debt service for the Series 2015A Bonds and other Governmental Unit indebtedness secured by a covenant to budget and appropriate Non-Ad Valorem Revenues:

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Set forth below is a schedule showing estimated debt service on the Governmental Unit's Non-Ad Valorem indebtedness after October 1, 2015:

**City of Coral Gables, Florida
Schedule of Debt Service**

Bond Year Ending October 1	2011B Bond	2011C Bond	2012 Bond	2013A Bond	2013B Bond	2014 Bond	2015B Bond	Series 2015A Bonds	Series 2015B Bonds	2015C Loan	Total Scheduled Principal
2016	\$540,750	\$356,750	\$3,356,144	\$1,232,760	\$373,256	\$428,127	\$527,695				
2017		353,250	3,755,268	1,381,880	380,024	429,778	523,559				
2018		349,500	3,732,110	1,376,920	376,277	431,187	524,298				
2019		345,500	3,727,617	1,381,480	372,359	427,354	524,787				
2020		341,250	2,946,255	1,380,320	373,270	428,400	525,025				
2021		341,750	2,928,716	1,378,560	378,837	429,204	525,013				
2022		336,750	3,125,110	1,381,200	378,890	429,766	524,751				
2023		331,500	3,119,695	1,378,120	368,600	430,086	524,238				
2024		331,000	3,112,678	1,379,440	373,310	430,164	523,475				
2025		325,000	3,109,059	1,385,040	377,506		527,462				
2026		323,750	3,108,704	1,374,800	376,187		526,073				
2027		322,000	2,701,481	1,379,080	374,525		524,434				
2028		314,750	2,688,202	1,387,520	377,520		527,545				
2029		312,250	2,688,588				525,280				
2030		309,250	2,677,238				522,765				
2031		305,750	2,669,420								
2032		246,750									
2033											
2034											
2035											
2036											
2037											
TOTAL	\$540,750	\$5,546,750	\$49,446,279	\$17,797,120	\$4,880,557	\$3,864,066	\$7,876,400				

Calculation of Anti-Dilution Test

The Governmental Unit has calculated its compliance with the test for additional debt secured by Non-Ad Valorem Revenues (as described above under the subheading "Additional Debt") for the fiscal years ended September 30, 2013 and September 30, 2014, as follows:

	For the Audited Period Ended <u>September 30, 2013</u>	For the Audited Period Ended <u>September 30, 2014</u>
Non Ad Valorem Revenues Available to satisfy amounts payable under 2015 Loan Agreement or other debt service payable	\$66,311,095	\$70,923,450
Maximum Estimated Debt Service on all Non-Ad Valorem Debt Outstanding	6,796,647	8,604,252
200% of Debt Service	13,593,294	17,208,504
Excess of Non Ad Valorem Revenues over 200% of Debt Service	52,717,801	53,714,946

If such test was conducted after issuance of the Series 2015A Bonds, Series 2015B Bonds and 2015C Loan as described above (and the 2015B Bond closed in 2014), for fiscal year 2014 the test would show 200% of Projected Debt Service as \$18,490,826 and the excess of Non Ad-Valorem Revenues over 200% of projected debt service as \$52,432,624.

General Information regarding Non-Ad Valorem Revenues

The Governmental Unit generally receives two primary sources of revenue. These are ad valorem tax revenues and non-ad valorem revenues. Ad valorem tax revenues may not be pledged for the payment of debt obligations of the Governmental Unit without approval of the electorate of the Governmental Unit, and are not pledged to the payment of amounts owing under the 2015 Loan Agreement.

The first table below, which has been prepared by the Governmental Unit, lists historical Non-Ad Valorem Revenues which are legally available to pay amounts due under the 2015 Loan Agreement. Certain of such legally available Non-Ad Valorem Revenues may hereafter be specifically pledged to secure revenue bonds issued by the Governmental Unit. In such event, such bonds will be payable from such specific Non-Ad Valorem Revenue sources prior to payment of debt service on the Series 2015A Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2015A BONDS – Other Obligations Payable from Non-Ad Valorem Revenues" for a listing of revenue bonds heretofore issued which are secured by the City's covenant to budget and appropriate legally available Non-Ad Valorem Revenues, which is the same source of security as for the 2015 Loan Agreement. Additionally, amounts in particular categories of legally available Non-Ad Valorem Revenues may increase or decrease in the future, or certain categories may cease to exist altogether, and new sources may occur from time to time.

The second table below, which has been prepared by the Governmental Unit, is being presented for informational purposes. It compares, on a historical basis, all financing sources of the Governmental Unit (including but not limited to, legally available Non-Ad Valorem Revenues and ad valorem taxing revenues), against all general governmental expenditures (by category) including debt service on existing Non-Ad Valorem Revenue-supported indebtedness.

**CITY OF CORAL GABLES, FLORIDA
HISTORICAL LEGALLY AVAILABLE NON-AD VALOREM REVENUES**

<u>Fund</u>	<u>Revenue Source</u>	<u>Audited 2012</u>	<u>Audited 2013</u>	<u>Audited 2014</u>
General	Other Taxes	\$17,661,079	\$17,709,135	\$18,712,598
	Licenses	3,148,148	3,250,589	3,318,725
	Permits	7,935,003	7,696,589	8,160,391
	Fines & Forfeitures	3,641,890	2,891,719	2,587,073
	Intergovernmental	4,744,664	5,250,448	5,106,504
	Charges for Services	13,947,479	15,638,624	19,214,525
	Recreation Activity Fees	3,534,934	3,979,867	4,211,548
	Revenue from Property	3,635,797	4,234,827	4,701,308
	Interest Earned	59,680	(52,196)	267,330
	Special Assessment	-	-	-
	Contributions and Donations	691,931	304,060	60,045
	Miscellaneous	472,814	449,930	283,054
	Capital Projects	Other Taxes	2,702,518	2,784,018
Intergovernmental		2,139,895	893,801	852,823
Charges for Services ⁽¹⁾		1,500,000	-	-
Revenue From Property		2,963	34,333	23,563
Special Assessments		476,456	979,546	188,987
Interest Earned		52,624	57,770	191,113
Contributions and Donations		43,200	162,000	125,000
Miscellaneous		9,931	44,941	1,512
Special Revenue	Intergovernmental	-	-	-
Debt Service	Special Assessment	100	700	2,050
	Interest Earned	1,766	394	6,556
	Miscellaneous	-	-	-
TOTAL:		<u>\$66,402,872</u>	<u>\$66,311,095</u>	<u>\$70,923,450</u>

Source: City of Coral Gables, Florida

⁽¹⁾ Charges for Services are fully included in the General Fund after Fiscal Year 2012.

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**CITY OF CORAL GABLES, FLORIDA
HISTORICAL REVENUES AND EXPENDITURES⁽¹⁾**

<u>Sources of Revenues</u>	<u>Audited 2012</u>	<u>Audited 2013</u>	<u>Audited 2014</u>
Revenues:			
Taxes	\$86,741,186	\$82,852,088	\$86,878,667
Licenses	3,148,148	3,250,589	3,318,725
Permits	7,935,003	7,696,589	8,160,391
Fines and Forfeitures	3,641,890	2,891,719	2,587,073
Intergovernmental	6,884,559	6,144,249	5,959,327
Charges for Services	15,447,479	15,638,624	19,214,525
Recreation Activity Fees	3,534,934	3,979,867	4,211,548
Rental Income	3,638,760	4,269,160	4,724,871
Special Assessments	476,556	980,246	191,037
Investment Earnings	114,070	5,968	464,999
Contributions and Donations	735,131	466,060	185,045
Miscellaneous	<u>482,745</u>	<u>494,871</u>	<u>284,566</u>
Total Revenues	\$132,780,461	\$128,670,030	\$136,180,774
Expenditures:			
Current:			
General Government	13,930,147	16,000,917	17,853,021
Public Safety	72,542,153	72,738,499	70,604,331
Physical Environment	16,810,152	16,548,289	16,542,033
Transportation	5,792,162	7,601,909	4,544,357
Economic Environment	753,151	773,882	851,438
Culture and Recreation	9,306,731	9,729,332	8,848,478
Debt Service:			
Retirement of Principal	43,762,940	3,368,388	3,217,640
Interest and Other Charges	2,107,713	1,641,277	1,487,807
Bond Issuance Cost	61,456	88,020	-
Capital Outlay	<u>1,285,402</u>	<u>1,551,289</u>	<u>2,810,907</u>
Total Expenditures	\$166,352,007	\$130,041,802	\$126,760,012
Excess (deficiency of Revenues Over Expenditures)	(33,571,546)	(1,371,722)	9,420,762
Other Financing Sources (Uses):			
Proceeds from Capital Leases	-	-	284,022
Refunding Bond Issues	43,096,290	12,075,700	-
Payment to Bond Escrow Agent	-	(11,996,561)	-
Transfers In	15,624,666	24,716,096	15,989,837
Transfers Out	<u>(6,652,204)</u>	<u>(9,769,595)</u>	<u>(8,617,552)</u>
Other Financing Sources (Uses)	\$52,068,752	\$15,025,640	\$7,656,307
Net Change in Fund Balance	\$18,497,206	\$13,653,868	\$17,077,069
Fund Balance – Beginning	\$53,938,466	\$72,435,672	\$86,089,540
Fund Balance – Ending	\$72,435,672	\$86,089,540	\$103,166,609

Source: City of Coral Gables, Florida

⁽¹⁾ Portions of the revenues shown herein represent ad valorem tax receipts and certain restricted revenues which are not included in Non Ad-Valorem Revenues and not subject to the City's covenant to budget and appropriate securing the obligations under the 2015 Loan Agreement.

While the tables above are not intended to represent revenues of the Governmental Unit which would necessarily be available to pay debt service under the 2015 Loan Agreement, they are an indication of the relative amounts of legally available Non-Ad Valorem Revenues of the Governmental Unit which may be available for the payment of amounts due under the 2015 Loan Agreement taking into account competing general governmental expenditures. The ability of the Governmental Unit to appropriate Non-Ad Valorem Revenues in sufficient amounts to pay amounts due under the 2015 Loan Agreement is subject to a variety of factors, including the responsibility to provide essential governmental services, and the obligation of the Governmental Unit to have a balanced budget. No representation is being made by the Governmental Unit that any particular Non-Ad Valorem Revenue sources will be available in future years, or if available, will be budgeted to pay amounts due under the 2015 Loan Agreement. For further information regarding Non-Ad Valorem Revenues of the Governmental Unit, reference is made to APPENDIX D attached hereto.

Continued consistent receipt of Non-Ad Valorem Revenues is dependent upon a variety of factors, including formulas specified under Florida law for the distribution of certain of such funds which take into consideration the ratio of residents in incorporated areas of Miami-Dade County to total County residents. The amounts and availability of any of the Non-Ad Valorem Revenues to the Governmental Unit are also subject to change, including reduction or elimination by change of State law or changes in the facts or circumstances according to which certain of the Non-Ad Valorem Revenues are allocated. In addition, the amount of certain of the Non-Ad Valorem Revenues collected by the Governmental Unit is directly related to the general economy of the Governmental Unit. Accordingly, adverse economic conditions could have a material adverse effect on the amount of Non-Ad Valorem Revenues collected by the Governmental Unit. The Governmental Unit may also pledge certain of the Non-Ad Valorem Revenues to future obligations that it issues. Such Non-Ad Valorem Revenues would be required to be applied to such obligations prior to paying amounts due under the 2015 Loan Agreement.

The primary sources of Non-Ad Valorem Revenues collected by the Governmental Unit are more fully described below.

"Other Taxes" consist primarily of franchise fees imposed by the Governmental Unit on electric, telephone, gas, cable TV and solid waste service, and utility service taxes imposed on telephone, telecommunication, water, gas and fuel oil service.

"Licenses" consist of occupational license taxes and business contractor's license fees.

"Permits" consist of building, mechanical, electrical and plumbing permit receipts.

"Fines and forfeitures" consist of traffic fines and zoning infraction charges.

"Intergovernmental" consists primarily of state sales tax revenues received by the Governmental Unit, revenues derived from state revenue sharing, and grants received from county and state government.

"Charges for services" include internal service fees, collection fees, concurrency fees and public safety fees. "Revenue from property" consists of revenue derived from the rental of the Governmental Unit property.

Pledge of Special Assessments

General. The Pledged Revenues securing the 2015 Loan Agreement include proceeds of the Special Assessments. In 2014, the Governmental Unit enacted Ordinance No. 2014-07 (such ordinance as thereafter amended and supplemented is herein referred to as the "Code") to create a procedure for the imposition and levying of special assessments to finance various capital improvements providing special benefits to areas therein within the Governmental Unit. On June 10, 2014 and August 26, 2014, the Governmental Unit adopted its Initial Assessment Resolution No. 2014-114 and Final Assessment Resolution No. 2014-169, respectively (collectively, the "Assessment Resolution"), establishing the Miracle Mile Special Assessment Area (the "Assessment Area") and approving non-ad valorem assessments on all benefited properties within the Assessment Area, establishing a collection schedule for the non-ad valorem assessments commencing with the fiscal year ending September 30, 2018 through and including the fiscal year ending September 30, 2037, certifying the non-ad valorem assessment roll for the fiscal year ending September 30, 2018, and providing that the non-ad valorem assessments will be collected pursuant to the Uniform Method of Collection Act set forth in Sections 197.3632 through 197.3635, Florida Statutes (the "Uniform Method of Collection Act"). The Governmental Unit has covenanted in the 2015 Loan Agreement that it has not pledged the Special Assessments to secure any other debt and will not issue or incur any additional debt obligations secured by or payable from the Special Assessments or otherwise impair the lien of the pledge of the Special Assessments under the 2015 Loan Agreement.

Levy of Special Assessments. Pursuant to the Code, the Governmental Unit has the authority to levy, by resolution, and collect non-ad valorem assessments against all real property specially benefited within the boundaries of the Assessment Area in order to provide funds for a streetscape improvement, including utility improvements, storm water improvements, roadway and parking improvements, sidewalk, signage, striping, signalization, street lighting, landscape, irrigation and associated beautification improvements along the "Miracle Mile" from LeJeune Road to Douglas Road (the "2015 Project").

Pursuant to the Assessment Resolution, it was determined that all parcels within the Assessment Area will receive a special benefit from the 2015 Project. Governmental Unit-owned parcels are exempt from the Special Assessments.

The Code provides that a schedule of non-ad valorem assessments may be established, by resolution, based upon different uses of real property or any other equitable method of allocating costs and benefits to benefited real property, and such adopted schedule of non-ad valorem assessments may be amended at any time. Pursuant to the Assessment Resolution, it was determined that the construction of the 2015 Project would provide special benefits to both the Governmental Unit and non-Governmental Unit property owners; therefore, the Assessment Resolution was adopted providing a schedule of non-ad valorem assessments for the Assessment Area using a two-tiered approach, as more particularly described below.

The Governmental Unit determined that it will provide approximately 50% of the funding of the 2015 Project to account for the Governmental Unit properties within the Assessment Area and the secondary city-wide benefits to the public in general. The remainder will be paid by means of the Special Assessments upon benefitted properties and a grant received from Miami-Dade County in the amount of \$1,364,000. For the portion to be funded by the Special Assessments, the Governmental Unit apportioned the benefit of the 2015 Project 70% to those properties with frontage on the Miracle Mile (the "Abutting Properties"), and the remaining 30% to other properties (the "Adjacent Properties") within the Assessment Area. These 2015 Project capital costs were then further divided and apportioned to individual properties within the Assessment Area based upon the following assessment units, as more particularly described below: front footage, building area, and market value. A property owner has two options regarding the payment of the Special Assessment: (i) to make a lump sum payment (see "— Prepayment of Special Assessments" below) or (ii) to make annual payments in installments over a twenty (20) year period. See "APPENDIX E -- Assessment Report Miracle Mile Streetscape Improvements prepared by Fishkind & Associates dated June 2014" attached hereto.

Pursuant to the Assessment Resolution, the Governmental Unit adopted the Special Assessment methodology described below for determining prepayment amounts for all parcels within the Assessment Area which are not otherwise exempt (all within the meaning of the Assessment Resolution):

(i) For the Abutting Properties, divide the allocated Capital Cost into three equal parts, each to be separately apportioned to each Tax Parcel based upon the Front Footage, Building Area, and Market Value Assessments Units, in the following manner:

(1) Dividing the number of Front Feet attributable to such Tax Parcel by the total amount of Front Footage attributable to all Tax Parcels of Abutting Property within the Miracle Mile Assessment Area, and multiplying the result by the portion of the Capital Cost allocated to Front Footage;

(2) Dividing the amount of Building Area attributable to such Tax Parcel by the total amount of Building Area attributable to all Tax Parcels of Abutting Property within Miracle Mile Assessment Area, and multiplying the result by the portion of the Capital Cost allocated to Building Area;

(3) Dividing the amount of Market Value attributable to such Tax Parcel by the total amount of Market Value attributable to all Tax Parcels of Abutting Property within Miracle Mile Assessment Area, and multiplying the result by the portion of the Capital Cost allocated to Market Value;

(4) Adding together the results of (1), (2), and (3) above to arrive at the Prepayment Amount for each Tax Parcel of Abutting Property.

(ii) For the Adjacent Properties, divide the allocated Capital Cost into two equal parts, each to be separately apportioned based upon the Building Area and Market Value Assessment Units, in the following manner:

(1) Dividing the amount of Building Area attributable to such Tax Parcel by the total amount of Building Area attributable to all Tax Parcels of Adjacent Property within Miracle Mile Assessment Area, and multiplying the result by the portion of the Capital Cost allocated to Building Area;

(2) Dividing the amount of Market Value attributable to such Tax Parcel by the total amount of Market Value attributable to all Tax Parcels of Adjacent Property within Miracle Mile Assessment Area, and multiplying the result by the portion of the Capital Cost allocated to Market Value;

(3) Adding together the results of (1) and (2) above to arrive at the Prepayment Amount for each Tax Parcel of Adjacent Property.

Commencing with the tax bill to be mailed in November 2017, the Special Assessments will be imposed for each Fiscal Year in which the Series 2015A Bonds remain outstanding and collected on the ad valorem tax bill in the manner authorized by the Uniform Assessment Collection Act. The annual Special Assessment shall be computed for each Tax Parcel that has not prepaid in accordance with the Assessment Resolution, as described below:

(A) *Debt Service Amount.* A "Debt Service Amount" shall be computed for each Fiscal Year as the amount which is payable by the Tax Parcels within the Assessment Area in respect of the Series 2015A Bonds in accordance with a debt service schedule prepared with principal installments equal to those established in the 2015 Loan Agreement and allocated to the Tax Parcels in the Assessment Area in the Assessment Resolution; provided, however, that the "Debt Service Amount" for any Fiscal Year shall not exceed the principal amount of the Series 2015A Bonds then outstanding plus interest thereon.

(B) *Prepayment Modification Factor.* A "Prepayment Modification Factor" shall be computed for each Fiscal Year by Dividing (1) the amount computed by subtracting (a) the sum of the Prepayment Amounts, as of the date on which the Series 2015A Bonds are issued, for all Tax Parcels as to which prepayment has been made, from (b) the total principal amount of the Series 2015A Bonds initially issued and allocated to the Tax Parcels within the Assessment Area in the Assessment Resolution, by (2) the total principal amount of Series 2015A Bonds initially issued and allocated to the Tax Parcels within the Assessment Area in the Assessment Resolution.

(C) *Modified Debt Service Amount.* A "Modified Debt Service Amount" shall be computed for each Fiscal Year by multiplying (1) the Debt Service Amount by (2) the Prepayment Modification Factor.

(D) *Annual Debt Service Factor.* An "Annual Debt Service Factor" shall be computed for each Fiscal Year by dividing (1) the Modified Debt Service Amount by (2) the aggregate Prepayment Amount.

(E) *Annual Debt Service Component.* The "Annual Debt Service Component" shall be computed for each Fiscal Year for each Tax Parcel by multiplying (1) the Prepayment Amount for such Tax Parcel by (2) the Annual Debt Service Factor.

(F) *Collection Cost Component.* The "Collection Cost Component" shall be computed each Fiscal Year for each Tax Parcel by (1) dividing (a) the Prepayment Amount for such Tax Parcel by (b) the sum of the aggregate Prepayment Amount, and (2) multiplying the result by the Assessment Collection Cost.

(G) *Statutory Discount Amount.* The "Statutory Discount Amount" shall be computed for each Tax Parcel as the amount allowed by law as the maximum discount for early payment of ad valorem taxes and non-ad valorem assessments, such amount to be calculated by deducting (1) the sum of (a) the Annual Debt Service Component and (b) the Collection Cost Component, from (2) the amount computed by dividing (a) the sum of (i) the Annual Debt Service Component and (ii) the Collection Cost Component, by (b) the factor of 0.96.

(H) *Assessment.* The annual Special Assessment for each Tax Parcel shall be computed as the sum of the Annual Debt Service Component, the Collection Cost Component and the Statutory Discount Amount, as set forth in the preliminary Assessment Roll attached to the Assessment Resolution. Pursuant to the 2015 Loan Agreement, all amounts received as Special Assessment proceeds (other than prepayments thereof) shall be applied toward payment of current Loan Repayments.

The Assessment Resolution requires that the Special Assessments be placed on the annual ad valorem property tax bill of the specially benefited property and shall be collected by the Miami-Dade County Tax Collector (the "Tax Collector"). The Governmental Unit shall certify the non-ad valorem assessment roll on compatible electronic medium to the Tax Collector pursuant to Section 197.3632(5), Florida Statutes, on or before September 15 of each year.

The Governmental Unit has entered into (i) a written agreement with the Tax Collector as provided in Section 197.3632(2), Florida Statutes, for reimbursement of necessary administrative costs incurred in implementing the Uniform Method of Collection Act, and (ii) a written agreement with the Miami-Dade County Property Appraiser as provided in Section 197.3632, Florida Statutes, for reimbursement of necessary administrative costs incurred in providing the Governmental Unit, by list or compatible electronic medium, the description of the specially benefitted properties within the boundaries of the Assessment Area and names and addresses of the owners of such property.

The prepayment amount for each property became a lien against the property equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments and superior in dignity to all other liens, titles, and claims until paid. Further, if not prepaid by the property owner, the annual Special Assessments shall become liens against the subject property upon finalization of the annual assessment roll, equal in rank and dignity with the liens of all state, County, district or municipal taxes and other non-ad valorem assessments, unless otherwise provided by law. Said lien shall continue until the Special Assessments have been paid, and, if the same becomes delinquent, shall be considered a part of

the municipal tax subject to the same penalties, charges, fee and remedies of enforcement and collection as provided for the collection of ad valorem property taxes pursuant to the laws of the State of Florida.

Collection of Special Assessments. The City has determined to cause the Special Assessments to be collected pursuant to the Uniform Method of Collection Act. Special Assessments will be added to the annual bill for property taxes sent by the Tax Collector to each owner of a benefited property commencing with the tax bill for the 2017 tax year. The following is a summary of certain statutory provisions relating to the collection and enforcement of Special Assessments under the Uniform Method of Collection Act.

Upon receipt of the certified assessment roll (the "Assessment Roll") from the Governmental Unit, the Tax Collector is required to include the Special Assessments in the tax notice mailed to each taxpayer stating the ad valorem taxes and all non-ad valorem assessments, including, without limitation, the Special Assessments levied upon and due in respect of such property. In general, each taxpayer is required to pay all taxes and non-ad valorem assessments shown in the tax notice without preference in payment of any particular increment of the tax bill, such as any increment owing for the Special Assessments. Upon receipt of the taxes and non-ad valorem assessments, the Tax Collector is required to forward the portion of such payment as is attributable to the Special Assessments, less the portion of such payment that constitutes administrative fees and costs of the Tax Collector and Property Appraiser, to the Governmental Unit. To the extent that a property owner fails to pay such taxes and non-ad valorem assessments, the successful implementation of tax collection procedures available to the Tax Collector (described below) is essential to continued payment of principal of and interest on the Series 2015A Bonds.

The collection of delinquent taxes and non-ad valorem assessments, including, without limitation, the Special Assessments, upon real property is based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the various governmental entities levying taxes and non-ad valorem assessments for the payment of the taxes and non-ad valorem assessments due. The demand for such tax certificates is, in turn, dependent upon various factors which include the interest which can be earned by ownership of such certificates and the value of the land which is the subject of such tax certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the specially benefited property may affect the demand for such tax certificates and therefore the successful collection of the Special Assessments.

A property owner cannot be sued personally for failure to pay his or her Special Assessments, but such Special Assessments are a lien on the property against which they are assessed from January 1 of the year of assessment (the "Tax Year") until paid or barred by operation of law. The lien of the Special Assessments is of equal dignity with the liens for state and county taxes and other taxes which are of equal dignity upon land, and thus is a lien, superior to all other liens including mortgages, but subject to federal tax liens.

The statutes relating to the enforcement of city and county taxes (and thus the Special Assessments) provide that such taxes become due and payable on November 1 of the year in

which assessed or as soon thereafter as the tax roll is received by the Tax Collector. All taxes become delinquent on April 1 following the Tax Year in which they are assessed or immediately after sixty (60) days have expired from the mailing of the original tax notice, whichever is later. The Tax Collector is required to collect taxes prior to the date of delinquency and to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers results in a delay throughout the process.

In the event of a delinquency in the payment of taxes on real property, the Tax Collector is required to offer for sale tax certificates on such property to the person who pays the delinquent taxes and interest and certain costs and charges relating thereto, and who accepts the lowest interest rate per annum to be borne by the certificates (which shall in no event be more than eighteen percent (18%) per annum). Delinquent taxes may be paid by a taxpayer prior to the date of sale of a tax certificate by the payment of such taxes, together with interest and all costs and charges relating thereto. Tax certificates are sold by public bid, and in case there are no bidders, the certificate is issued to the county in which the assessed lands are located, and the county, in such event, does not pay any consideration for such tax certificate. Proceeds from the sale of tax certificates are required to be used to pay taxes and non-ad valorem assessments (including the Special Assessments), interest, costs and charges on the land described in the certificate.

County-held tax certificates may be purchased, and any tax certificate may be redeemed, in whole or in part, by any person at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof, together with all interest, costs, and charges due. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the certificate such proceeds less a service charge, and the certificate is canceled. Subject to the 2-year abeyance period described below, any holder, other than a county, of a tax certificate which has not been redeemed has seven (7) years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate.

After an initial period ending two (2) years from April 1 of the year of issuance of a tax certificate, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector all amounts required to redeem or purchase all outstanding tax certificates not held by the applicant covering the land, any omitted or delinquent taxes and non-ad valorem assessments, current taxes and non-ad valorem assessments, and interest, if due, covering the land. If a county holds a tax certificate and has not succeeded in selling it, the county must apply for a tax deed on all tax certificates on properties valued at \$5,000 or more two (2) years after April 1 of the year of issuance. The county may apply for tax deeds on county-held tax certificates on property valued at less than \$5,000, but is not required to do so. The county pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding tax certificates covering the land. Thereafter, the property is advertised for public sale. Any outstanding tax certificates will be satisfied from the proceeds received at such public sale.

In any such public sale, the private holder of the tax certificate who is seeking a tax deed is deemed to submit a minimum bid established by statute. If there are no higher bidders, the

holder receives title to the land and the amounts paid for the tax certificate and in applying for a tax deed are credited towards the purchase price. If there are higher bidders, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate (and all other amounts paid by such holder in applying for a tax deed), plus interest, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts of deeds, and other lienholders and any other person to whom the land was assessed on the tax roll for the year in which the land was assessed, all as their interests may appear.

If there are no bidders at the public sale, the county may, at any time within ninety (90) days from the date of offering for public sale, purchase the land for a statutorily prescribed minimum bid. After ninety (90) days have passed, any person or governmental unit may purchase the land by paying the amount of the minimum bid. Three (3) years from the date of offering for public sale, unsold lands escheat to the county and all tax certificates and liens including the lien of the Assessments against the property are canceled.

Prepayment of Special Assessments. The Governmental Unit determined that the owners of any property within the Governmental Unit against which Special Assessments were levied may prepay all of said Special Assessments. Pursuant to a notice distributed to property owners on November 1, 2014, any prepayment of all Special Assessments due and owing on benefited properties were required to be tendered by January 31, 2015 to the Governmental Unit. The Governmental Unit received \$858,039.84 in prepaid Special Assessments by the requested date. Special Assessments that are not prepaid will be collected on an annual basis.

The Assessment Resolution also provides for prepayment after annual Special Assessments have been levied, by paying a sum equal to (1) the original prepayment amount for the applicable parcel, and (2) interest on said prepayment amount, computed at a rate one full percentage point in excess of the rate on the Series 2015A Bonds, from the most recent date to which interest on such Bonds has been paid to the next date following such prepayment on which such Series 2015A Bonds can be redeemed after providing all notices required to redeem all or any portion of the Series 2015A Bonds. See "THE SERIES 2015A BONDS -- Redemption -- Extraordinary Mandatory Redemption," herein.

Summary of Tax Collections. The tables that follow show a summary of real and personal property tax collections for Miami-Dade County and the Governmental Unit for the periods shown below. **Ad valorem tax revenues are not pledged to the payment of the Series 2015A Bonds.** The tables are being shown as an indication of historical tax collections as a percentage for both the County and the Governmental Unit to give some context, and based on the fact that taxpayers may not pay only a selected portion of amounts stated on the tax bill (including special assessments). However, no representation is made that collection rates of the Special Assessments levied by the Governmental Unit will be similar to those shown in the following tables.

**Property Tax Levies and Tax Collections
Miami-Dade County, Florida
(dollars in thousands)**

Fiscal Year Ended	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$1,322,346	\$1,274,401	96.37%	\$2,193	\$1,276,594	96.54%
2006	1,552,716	1,494,417	96.25	7,826	1,502,243	96.75
2007	1,813,313	1,743,079	96.13	9,524	1,752,603	96.65
2008	1,728,993	1,666,835	96.40	14,176	1,681,011	97.22
2009	1,774,247	1,704,176	96.05	29,592	1,733,768	97.72
2010	1,569,920	1,518,040	96.70	32,807	1,550,847	98.79
2011	1,538,532	1,493,745	97.09	31,024	1,524,769	99.11
2012	1,313,290	1,293,321	98.48	320	1,293,641	98.50
2013	1,312,170	1,279,630	97.52	(13,956)	1,265,674	96.46
2014	1,423,800	1,356,782	95.29	-	1,356,782	95.29

Source: Miami-Dade County Tax Collector.

**City of Coral Gables, Florida
Ad Valorem Tax Levies
Compared with Current Collections
Ten Fiscal Years Ending September 30**

Fiscal Year	Total Tax Levied	Total Taxes Collected	Percentage of Current Taxes Collected to Total Tax Levied
2005	\$56,576,305	\$53,235,436	94.09%
2006	66,217,669	61,536,367	92.93
2007	73,452,215	69,634,307	94.80
2008	72,556,824	65,791,821	90.68
2009	68,055,518	65,609,457	96.41
2010	72,300,304	69,328,037	95.89
2011	68,735,926	65,131,368	94.76
2012	66,647,377	64,648,342	97.00
2013	65,676,937	61,713,029	93.96
2014	66,561,720	65,257,324	98.04

Source: City of Coral Gables Finance Department. Collections data through Fiscal Year ended September 30. Tax year is from January 1 to December 31 of each calendar year and collected starting November 1 of such year.

Special Assessment Bondholder Risks. Neither the Governmental Unit nor the Underwriter can give any assurance to the Holders of the Series 2015A Bonds: (i) that the past experience of the County and the Governmental Unit with regard to tax collections as shown above is indicative in any way of future collections or delinquencies in payment of taxes relating

to benefited property or in payment of the Special Assessments securing the Series 2015A Bonds; (ii) that future landowners and taxpayers will pay such Special Assessments; (iii) that a market will exist in the future for tax certificates in the event of sale of such certificates for taxable units within the Assessment Area; (iv) that eventual sale of tax certificates for real property within the Assessment Area will be for an amount sufficient to pay amounts due to discharge all or a portion of any Special Assessment liens; (v) that County-held tax certificates which have not sold will not escheat to the County; or (vi) that the ability of the Tax Collector to foreclose the lien of unpaid taxes will not be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State of Florida relating to foreclosure.

Prospective investors should be aware of the following risk factors, which, if realized to a sufficient degree, could delay, prevent or accelerate, if applicable, complete payment of the principal of and interest on the Series 2015A Bonds. A principal source of security for the payment of the principal of, redemption and interest on the Series 2015A Bonds is the timely collection of Special Assessments. Florida law establishes procedures for the collection of taxes and assessments, including the Special Assessments. There can be no assurances given that the implementation of such procedures will result in the collection of any Delinquent Assessments, or if so collected, that they will be timely or adequate to pay the principal of, redemption and interest on the Series 2015A Bonds. **The information appearing under this caption does not purport to summarize all of the risks that may be associated with purchasing or owning the Series 2015A Bonds, and prospective purchasers are advised to read this Official Statement in its entirety for a more complete description of investment considerations relating to the Series 2015A Bonds.**

1. *Non-Recourse Nature of the Special Assessments.* The Special Assessments are not a personal obligation of the owners of the real property subject thereto; instead, they are impositions upon such real property. The ultimate, and only, recourse for nonpayment of the Special Assessments is an action against the real property. If proceedings against the real property, including the statutory tax collection procedures described herein, do not result in the collection of funds sufficient to pay Delinquent Assessments, the property owner is not compelled to pay the deficiency. Therefore, the likelihood of collection of the Special Assessments may ultimately depend on the market value of the real property subject to assessment. While the ability of a property owner to pay the Special Assessments is a relevant factor, the willingness of a property owner to pay the Special Assessments, which may be affected by the value of the land subject to such Special Assessments, is also an important factor in the collection of the Special Assessments.

2. *Tax Collection Procedures.* All county, city, school district, and special district ad valorem taxes and non-ad valorem assessments collected through the Tax Collector (including the Assessments levied by the Governmental Unit) are payable at one time. A taxpayer may not make an incomplete payment. Therefore, any failure of a taxpayer to pay all taxes and assessments billed by the Tax Collector (whether it be the Governmental Unit's Special Assessments or any other tax or assessment) would cause the Special Assessments to not be collected which could have an adverse impact on the Governmental Unit's ability to pay the principal of, redemption and interest on the Series 2015A Bonds.

3. *Sale of Tax Certificates.* Under the Uniform Method of Collection Act, the Special Assessments become due and payable on November 1 of the year in which they are levied (or thereafter upon satisfaction of certain statutory requirements by the Tax Collector) and become delinquent on the following April 1 or sixty (60) days after the mailing of the original notice, whichever is later. The collection of delinquent taxes and assessments is based to a large degree on the sale of tax certificates. Tax certificates are sold at public auction to the purchaser who pays the delinquent taxes, interest and certain costs and charges relating thereto, and who bids the lowest interest rate which shall not exceed eighteen percent (18%) per annum. Proceeds from the sale of tax certificates are required to be used to pay delinquent taxes and assessments, interest, costs and other charges. Under Florida law, tax certificates may not be sold until at least 90 days after the taxes and assessments become delinquent. There can be no assurances given that there will be any purchasers of tax certificates, if any are required to be sold due to delinquencies in the payment of the Special Assessments or other taxes or assessments imposed on the benefited lands within the Assessment Area. See "SECURITY FOR THE 2015 LOAN AGREEMENT -- Pledge of Special Assessments - Collection of Special Assessments" herein.

4. *County-held Tax Certificates.* In the event there are no bidders, the tax certificates are issued to the County at the maximum rate of interest allowed (presently 18%). The Tax Collector does not collect any money from the County if the tax certificates are issued to the County. County-held tax certificates, which are not previously purchased or redeemed, must be held by the County for a period ending two (2) years from April 1 of the year of issuance. After the expiration of the two (2) year period, the property will be offered for sale, as described under "SECURITY FOR THE 2015 LOAN AGREEMENT – Pledge of Special Assessments – Collection of Special Assessments" herein. There are many procedures that must be followed by the Tax Collector before the property can be offered for sale. Such procedures include proper notices, collection of certain fees and charges, and establishing an opening bid for the property. Failure to comply with any of the procedures or receive the statutory opening bid could result in delays or the complete inability of the Tax Collector to collect the delinquent taxes and assessments. If the property is not sold with three (3) years from the date it was first offered for public sale, the land escheats to the County and all tax certificates and liens against the property are cancelled. If a sufficient amount of the real property subject to Special Assessments were to escheat to the County, the Governmental Unit may be unable to pay the principal of and interest on the Series 2015A Bonds.

5. *Limitations on Enforceability.* The payments on the Special Assessments and the ability of the Tax Collector to foreclose the lien of unpaid taxes may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to court foreclosure. Bankruptcy proceedings may cause the Special Assessment liens to be extinguished. In the event of the institution of bankruptcy or similar proceedings with respect to any significant owner of property within the Assessment Area, there could be delays in the payment of debt service on the Series 2015A Bonds. The remedies available to the owners of the Series 2015A Bonds upon an event of default under the 2015 Loan Agreement 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, the remedies specified by federal, state and local law and in the 2015 Loan Agreement, including without limitation, enforcement of the obligation to pay the Special Assessments, may not be readily available or may be limited.

The various legal opinions to be delivered concurrently with the delivery of the Series 2015A Bonds (including the approving opinion of Bond Counsel) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Special Assessments could have a material adverse impact on the interest of the holders of the Series 2015A Bonds.

6. *Additional Taxes.* The willingness and/or the ability of a property owner to pay the Special Assessments could be affected by the existence of other taxes and assessments imposed upon the real property. Other public entities could impose additional taxes on the real property subject to the Special Assessments. The lien of the Special Assessments is, however, of equal dignity with the liens for State and County taxes upon land, and thus is superior to all other liens including mortgages (except liens for State, County, and other taxes which are of equal dignity and except for prior federal tax liens). County, municipal, school, special district taxes and assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the Special Assessments, are payable at one time. If a taxpayer does not make complete payment, he or she cannot designate specific line items on the tax bill as deemed paid in full. In such case, the Tax Collector does not accept such partial payment. Therefore, any failure to pay any one line item, whether or not it is the Special Assessments, would cause the Special Assessments not to be collected to that extent, which could have a significant adverse impact on the Governmental Unit's ability to make full or punctual payment of debt service on the Series 2015A Bonds.

7. *Statutory Compliance.* The Governmental Unit is required to comply with statutory procedures in levying the Special Assessments. Failure of the Governmental Unit to follow these procedures could result in the Special Assessments not being levied or potential future challenges to such levy. See "SECURITY FOR THE 2015 LOAN AGREEMENT" herein.

8. *Real Estate Downturn.* Since 2006, the residential real estate market in Florida has experienced historically high levels of foreclosure for existing homes. The Governmental Unit has experienced foreclosures as well as drops in the value of homes. In addition, the market for subprime lending which was an integral part of real estate sales prior to 2007, has essentially evaporated, which in turn impacts the ability of borrowers to obtain financings. No prediction can be made when such economic or market conditions will completely improve.

9. *Potential Applicability of Tax Assessment Challenges.* Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non-ad valorem assessments such as the Special Assessments and there are judicial decisions that support both views. Under the procedure, a taxpayer may bring suit to contest a "tax assessment" if the taxpayer pays the amount of "tax" that the taxpayer admits to owing, and upon the making of such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If it is determined that the procedure applies to non-ad valorem assessments such as the Special Assessments, then it is possible that as a result of a challenge to such assessments, the collection procedures could be held in abeyance until the

challenge is resolved. This would result in a delay in the collection of the Special Assessments which could have a material and adverse affect upon the ability of the Governmental Unit to timely pay debt service on the Series 2015A Bonds. The Governmental Unit believes that its validation of the Series 2015A Bonds and the Special Assessments should mitigate against the likelihood and efficiency of such a challenge; however, no assurance can be made.

10. *Potential Cost Overruns.* The Special Assessments were established based upon the best information then available regarding the cost of the 2015 Project, which costs were internally developed and were not developed by independent consulting engineers. If the actual cost of the 2015 Project is significantly greater than the assumed cost, for whatever reason, the Special Assessments may not be adequate to pay all of the debt service on the Series 2015A Bonds, and/or the amount of the Series 2015A Bonds may be insufficient to fund the cost of one-half the entire 2015 Project.

THE GOVERNMENTAL UNIT

Additional information regarding the Governmental Unit is set forth in "APPENDIX A -- Certain Information Relating to the City of Coral Gables."

TAX EXEMPTION

General

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance of the Series 2015A Bonds in order for interest on the Series 2015A Bonds to be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2015A Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2015A 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 2015A 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 Issuer has covenanted in the Indenture and the Governmental Unit has covenanted in the 2015 Loan Agreement to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2015A Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2015A Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2015A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, a portion of the interest on the Series 2015A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations.

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 the Series 2015A Bonds. Prospective purchasers of the Series 2015A Bonds should be aware that the ownership of the Series 2015A 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 the Series 2015A 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 the Series 2015A Bonds; (iii) the inclusion of interest on the Series 2015A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of branch profits tax; (iv) the inclusion of interest on the Series 2015A 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 the Series 2015A 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 Issuer and the Governmental Unit, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2015A 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 2015A BONDS AND THE RECEIPT OF ACCRUED 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.

Other Tax Matters

Purchasers of the Series 2015A Bonds should consult their tax advisors as to the tax consequences to them of owning the Series 2015A Bonds in their particular state or local jurisdiction.

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 2015A 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 2015A 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 2015A 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 2015A Bonds.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2015A Bonds maturing in years _____ and _____ through and including _____ (hereafter in this paragraph referred to as 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 Underwriter or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity 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 2015A Bonds other than the Discount Bonds (hereafter referred to in this paragraph as 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 Underwriter or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity 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 price 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 advisors with respect to the state and local tax consequences of owning such Premium Bonds.

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RATINGS

The Issuer has received a rating of "____ (_____ outlook)" by Standard & Poor's Rating Services with respect to the Series 2015A Bonds. In addition, Moody's Investors Service ("Moody's") has provided a credit assessment to the Issuer as of December 16, 2014, of the Governmental Unit's Non-Ad Valorem Revenues of "Aa2". Moody's has not rated the Series 2015A Bonds.

The ratings and credit assessment set forth above reflect only the views of such respective organizations at the time such ratings and credit assessment are given, and the Issuer makes no representation as to the appropriateness of the ratings and credit assessment. An explanation of such ratings and credit assessment may be obtained only from the respective rating agency.

There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the respective rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2015A Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

DISCLOSURE REQUIRED BY SECTION 517.01(1), FLORIDA STATUTES

The Florida Securities and Investor Protection Act provides, in Section 517.051, Florida Statutes, as amended, that no person may directly or indirectly offer or sell securities except by an offering circular containing full and fair disclosure regarding defaults by the issuer any time after December 31, 1975, together with all other information which a reasonable investor would consider material in order to make an informed decision with respect to an investment in the bonds. As provided in the rules of the Florida Department of Banking and Finance (the "Department"), Rule 3E-400.003, Florida Administrative Code (the "Rule"), the Department requires the issuer to make certain disclosures concerning, among other information, the dates, 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 issuer, and certain financial information unless the issuer determines that such information would not be considered material by a reasonable investor.

The Issuer has not defaulted in the payment of the principal of or interest on any indebtedness.

FINANCIAL STATEMENTS

Audited financial statements of the Issuer for the fiscal year ended September 30, 2014 are included herein as APPENDIX C and are an integral part of this Official Statement. Excerpts of audited financial statements of the Governmental Unit for the fiscal year ended September 30, 2014 are included herein as APPENDIX D and are an integral part of this Official Statement.

LITIGATION

There is not now pending or, to the knowledge of the Issuer or the Governmental Unit, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2015A Bonds or questioning or affecting the validity of the Series 2015A Bonds or the 2015 Loan Agreement or the proceedings or authority under which they are to be issued. There is no litigation pending or, to the Issuer's knowledge, threatened, which in any manner questions the right of the Issuer to secure the Series 2015A Bonds in the manner provided in the Indenture and the Act.

ISSUER FINANCIAL ADVISOR

Public Financial Management, Inc., Orlando, Florida, is acting as Financial Advisor with respect to the issuance and sale of the Series 2015A Bonds. The Financial Advisor has assisted the Issuer in the preparation of this Official Statement and has advised the Issuer as to other matters relating to the planning, structuring and issuance of the Series 2015A 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 this Official Statement.

Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

Citigroup Global Markets, Inc. (the "Underwriter") has agreed to purchase the Series 2015A Bonds from the Issuer at a price of \$_____ (which includes net original issue premium of \$_____ and Underwriter' discount of \$_____), and to reoffer the Series 2015A Bonds at the prices shown on the inside cover hereof. If obligated to purchase any of the Series 2015A Bonds, the Underwriter will be obligated to purchase all of the Series 2015A Bonds. The initial public offering prices may be changed from time to time by the Underwriter.

Citigroup Global Markets, Inc., has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets, Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this agreement, Citigroup Global Markets, Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2015A Bonds.

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2015A Bonds. Depending upon prevailing market conditions, including the financial condition or market positions of firms which may make the secondary market, evaluation of the Borrower's capabilities and the financial condition and results of their operations, there may not be a secondary market for the Series 2015A Bonds from time to time, and investors in the Series 2015A Bonds may be unable to divest themselves of their interests therein.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Sunshine State Governmental Financing Commission, for which they received or will receive customary fees and expenses.

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

CONTINUING DISCLOSURE

The Governmental Unit

The Governmental Unit has agreed, in accordance with the provisions of, and to the degree necessary to comply with, the secondary disclosure requirements of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission ("SEC"), to provide or cause to be provided by its Dissemination and Disclosure Agent for the benefit of the Beneficial Owners of the Series 2015A Bonds to the centralized information repository developed and operated by the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB or such other municipal securities information repository as may be required by law or applicable regulation, from time to time (each such information repository, a "MSIR"), the following annual financial information (the "Annual Information"), commencing with the Fiscal Year ending September 30, 2015:

- (1) Historical collections of Special Assessments by the Governmental Unit.
- (2) Historical collections of Non-Ad Valorem Revenues by the Governmental Unit and its annual anti-dilution test calculation, in a form which is generally consistent with the presentation of such information in this Official Statement.
- (3) The Governmental Unit's Comprehensive Annual Financial Report utilizing generally accepted accounting principles applicable to local governments.

The information in paragraphs (1) through (3) above will be available on or before June 1 of each year for the preceding Fiscal Year, commencing June 1, 2016, and will be made available, in addition to the centralized information repository and any additional MSIR, to each Beneficial Owner of the Series 2015A Bonds who requests such information in writing. The Governmental Unit's Comprehensive Annual Financial Report referred to in paragraph (3) above is expected to be available separately from the information in paragraphs (1) and (2) above and will be provided by the Governmental Unit as soon as practical after the acceptance of the

Governmental Unit's audited financial statements from the auditors by the Governmental Unit. The Governmental Unit's Comprehensive Annual Financial Report is generally available within eight (8) months from the end of the Fiscal Year.

The Governmental Unit has agreed to provide or cause to be provided by its Dissemination and Disclosure Agent to each MSIR in the appropriate format required by law or applicable regulation, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (the "Listed Events") with respect to the Series 2015A Bonds:

- (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 facility 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 Series 2015A Bonds, or other material events affecting the tax status of the Series 2015A Bonds;
- (7) modifications to rights of holders of the Series 2015A Bonds, if material;
- (8) Series 2015A Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of any property securing repayment of the Series 2015A Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Governmental Unit (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Governmental Unit 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 Governmental Unit, or if such jurisdiction has been assumed by leaving the existing governing 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 Governmental Unit);

- (13) the consummation of a merger, consolidation, or acquisition involving the Governmental Unit or the sale of all or substantially all of the assets of the Governmental Unit, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Governmental Unit has agreed to provide or cause to be provided, in a timely manner, to the centralized information repository and any additional MSIR in the appropriate format required by law or applicable regulation, notice of its failure to provide the Annual Information with respect to itself on or prior to June 1 following the end of the preceding Fiscal Year.

The foregoing obligation of the Governmental Unit shall remain in effect only so long as the Series 2015A Bonds are Outstanding. The Governmental Unit has reserved the right to terminate its obligation to provide the Annual Information and notices of reportable events, as set forth above, if and when the Governmental Unit no longer remains an "obligated person" with respect to the Series 2015A Bonds within the meaning of the Rule.

The Governmental Unit has agreed that its undertaking pursuant to the Rule set forth in this Official Statement is intended to be for the benefit of the Beneficial Owners of the Series 2015A Bonds and shall be enforceable by such Beneficial Owners if the Governmental Unit fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided that any such Beneficial Owner's right to enforce the provisions of this undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the Governmental Unit's obligations in a Federal or Florida State court and any failure by the Governmental Unit to comply with the provisions of this undertaking shall not be a default with respect to the Series 2015A Bonds. Any assertion of beneficial ownership must be filed, with full documentary support, as part of the written request described above.

In the event that the SEC approves any additional MSIRs after the date of issuance of the Series 2015A Bonds, the Governmental Unit will, if the Governmental Unit is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide such information to any new MSIR whose status as a MSIR is unknown to the Governmental Unit shall not constitute a breach of this covenant.

The requirements of filing the Annual Information do not necessitate the preparation of any separate annual report addressing only the Series 2015A Bonds. The requirements may be met by the filing of an annual information statement or the Governmental Unit's Comprehensive Annual Financial Report, provided such report includes all of the required Annual Information and is available by June 1 of each year for the preceding Fiscal Year. Additionally, the Governmental Unit may incorporate any information in any prior filing with each MSIR or

included in any official statement of the Governmental Unit, provided such prior filing or official statement is filed with the MSRB and expressly cross-referenced to the Series 2015A Bonds.

The Governmental Unit has reserved the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Governmental Unit, provided that the Governmental Unit has agreed that any such modification will be done in a manner consistent with the Rule.

Except to cure any ambiguity, inconsistency or formal defect or omission in the relevant provisions of the 2015 Loan Agreement, the Governmental Unit covenants as to secondary disclosure (the "Covenants") may only be amended if:

- (A) the amendment is 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 Governmental Unit or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Series 2015A Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by the Board, counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or
- (B) all or any part of the Rule, as interpreted by staff of the SEC at the date of the 2015 Loan Agreement, ceases to be in effect for any reason, and the Governmental Unit elects that the Covenants shall be deemed amended accordingly.

The Governmental Unit has complied in all material respects with its prior continuing disclosure undertakings pursuant to the Rule during the past five years.

The Sunshine State Governmental Financing Commission will serve as the Initial Disclosure and Dissemination Agent to the Governmental Unit in connection with the Series 2015A Bonds.

The Issuer

The Issuer has also agreed, in accordance with the provisions of, and to the degree necessary to comply with the secondary disclosure requirements of the Rule, to provide or cause to be provided for the benefit for the Beneficial Owners of the Series 2015A Bonds to the MSIR the following financial information (the "Issuer Annual Information"), commencing with the fiscal year ending September 30, 2015:

- (1) Historical collections of non-ad valorem revenues by the Governmental Unit and its annual anti-dilution test calculation, in a form which is generally consistent with the presentation of such information in this Official Statement, which the

Governmental Unit has undertaken to provide pursuant to the 2015 Loan Agreement.

- (2) The Issuer's annual audited financial statements 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 Issuer Annual Information is required to be filed, the Issuer Annual Information shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Issuer Annual Information when they become available.

The Issuer has also agreed to provide or to cause to be provided to each MSIR in the appropriate format required by law or applicable regulation, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of the Listed Events described above under "The Governmental Unit."

The Issuer has agreed to provide or cause to be provided, in a timely manner, to the centralized information repository and any additional MSIR in the appropriate format required by law or applicable regulation, notice of its failure to provide the Issuer Annual Information with respect to itself on or prior to June 1 following the end of the preceding Fiscal Year.

The foregoing obligation of the Issuer shall remain in effect only so long as the Series 2015A Bonds are Outstanding. The Issuer has reserved the right to terminate its obligation to provide the Issuer Annual Information and notices of reportable events, as set forth above, if and when the Issuer no longer constitutes an "obligated person" with respect to the Series 2015A Bonds within the meaning of the Rule.

The Issuer has agreed that its undertaking pursuant to the Rule set forth in this Official Statement is intended to be for the benefit of the Beneficial Owners of the Series 2015A Bonds and shall be enforceable by such Beneficial Owners if the Issuer fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided that any such Beneficial Owner's right to enforce the provisions of this undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the Issuer's obligations in a Federal or Florida State court and any failure by the Issuer to comply with the provisions of this undertaking shall not be a default with respect to the Series 2015A Bonds. Any assertion of beneficial ownership must be filed, with full documentary support, as part of the written request described above.

In the event that the SEC approves any additional MSIRs after the date of issuance of the Series 2015A Bonds, the Issuer will, if the Issuer is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide such information to any new MSIR whose status as a MSIR is unknown to the Issuer shall not constitute a breach of this covenant.

The Issuer has reserved the right to modify from time to time the specific types of information provided 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 has agreed that any such modification will be done in a manner consistent with the Rule.

The Issuer's covenants as to secondary disclosure (the "Issuer Covenants") may only be amended if:

- (A) the amendment is 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 type of business conducted; the Issuer Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Series 2015A Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by the Issuer, counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or
- (B) all or any part of the Rule, as interpreted by staff of the SEC at the date of the 2015 Loan Agreement, ceases to be in effect for any reason, and the Issuer elects that the Issuer Covenants shall be deemed amended accordingly.

The Issuer has complied in all material respects with its prior continuing disclosure undertakings pursuant to the Rule during the past five years. The investor should note that the Issuer is a conduit issuer that has issued debt on behalf of other governmental entities, and does not take responsibility for the timeliness or content of such borrower/obligor continuing disclosure compliance, although the Issuer is serving as the initial Disclosure and Dissemination Agent to the Governmental Unit in connection with the Series 2015A Bonds, and will disseminate information provided by the Governmental Unit and offer advice to the Governmental Unit in that regard. The Issuer is aware of some technical compliance matters with respect to certain of its governmental borrowers under other programs, and is working with such borrowers to remedy the same.

LEGAL MATTERS

The Series 2015A Bonds are offered when, as and if issued by the Issuer, and accepted by the Underwriter, subject to the delivery of a legal opinion of Bryant Miller Olive P.A., Miami, Florida, Bond Counsel, copies of whose legal opinion will be delivered with the Series 2015A Bonds. Certain other legal matters will be passed upon for the Governmental Unit by the Office of the Coral Gables City Attorney. Certain legal matters relating to disclosure will be passed upon by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. GrayRobinson, P.A., Miami, Florida, is serving as Underwriter's Counsel. The fees payable to Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the issuance and delivery of the Series 2015A Bonds.

The proposed text of the legal opinion of Bond Counsel is set forth as APPENDIX B to this Official Statement. The actual legal opinion to be delivered may vary from the text of

APPENDIX B, if necessary, to reflect facts and law on the date of delivery of the Series 2015A Bonds.

The legal opinions of Bond Counsel, Disclosure Counsel and the Office of the Coral Gables City Attorney are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to Bond Counsel, Disclosure Counsel and the Office of the Coral Gables City Attorney as of the date thereof. Bond Counsel, Disclosure Counsel and the Office of the Coral Gables City Attorney assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2015A Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

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MISCELLANEOUS

This Official Statement has been duly approved, executed and delivered by the Issuer.

**SUNSHINE STATE GOVERNMENTAL
FINANCING COMMISSION**

By: _____
Chair

CITY OF CORAL GABLES, FLORIDA

By: _____
Finance Director

**APPENDIX A
CERTAIN INFORMATION RELATING TO
THE CITY OF CORAL GABLES**

General

Coral Gables prides itself as being among the most livable communities in the United States, providing residents and visitors first-rate municipal services in a culturally rich and diverse environment. The City was established in 1925 by George Merrick who drew from the Garden City and City Beautiful movements of the 19th and early 20th century to create one of the nation's first fully-planned communities.

In 1973, Coral Gables was one of the first cities in Florida to adopt a Historic Preservation Ordinance, creating a Historic Preservation Board and establishing a procedure for local landmark designations. Since then, the past has also been preserved in the form of buildings – significant either because of their architecture or because of the historic events or important figures associated with them.

Today, Coral Gables boasts one of only three National Landmarks in Miami-Dade County: The Biltmore Hotel, designated in 1996. There are also nine properties listed on the National Register of Historic Places, including Coral Gables Merrick House, Venetian Pool and Coral Gables City Hall, as well as more than 300 locally designated properties.

The City's employment base is primarily service-related, with substantial residential areas.

The City supports both the residential and business sectors with what it believes to be quality City services and the City is one of only several cities nationwide to have a Class 1 Fire Department, a fully-accredited Police Department and the highest awarded Building and Zoning Department rating.

Location

Coral Gables is located in southern Miami-Dade County, Florida, south of the City of Miami and adjacent to Biscayne Bay. The City was created in 1925 as one of the nation's first fully-planned communities.

Government

The City has a council/manager form of government. Current elected officials are listed below:

Mayor	Jim Cason
Vice Mayor	Frank C. Quesada
Commissioner	Patricia Keon
Commissioner	Vince Lago
Commissioner	Jeanett Slesnick

The primary appointed City officials are:

City Manager	Cathy Swanson-Rivenbark
City Attorney	Craig E. Leen, Esq.
City Clerk	William J. Foeman

Employees Pension Plan

The City of Coral Gables Retirement System (the "Plan") is a single employer defined benefit pension plan, covering substantially all regular full-time general, police, and fire department employees of the City that have met the conditions of eligibility. The Plan was established under the Code of Ordinances for the City, including amendments. The Plan is also governed by certain provisions of Florida Statutes, Part VII; Chapter 175 and Chapter 185, and the Internal Revenue Code.

The following is a brief description of the Plan provided for general information purposes only. Plan members should refer to the Plan documents for more complete information.

Pension Benefits

Firefighters, police officers and participants, other than firefighters and police officers with more than 10 years of credit service at September 30, 2010 may retire and receive normal retirement benefits upon reaching the earlier of age 52 and 10 years of credited service; age 65 or when the participants age plus years of credited service equals or exceeds 70 (Rule of 70). Participants other than firefighters and police officers with less than 10 years of credited service at September 30, 2010, may retire and receive normal benefits upon reaching the earlier of age 62 and 10 years of credited service; age 65 and 6 years of service; or when the participant's age, plus years of credited service equals or exceeds 80 (Rule of 80). For police officers with less than 10 years of credited service at September 30, 2012, normal retirement shall be the earliest of (a) age 55 and 10 years of credited service or (b) 25 years of credited service.

Effective September 30, 2013, the normal retirement date for firefighters with less than ten years of credited service on September 30, 2013, and firefighters hired on or after that date means the first day of the month coincident with or next following the date on which the participant attains 51 years of age with 25 years of credited service, or "Rule of 76" (age plus years of credited service equal 76); provided, any such member whose normal retirement date under the "Rule of 76" would be after age 59 and who is within 12 months of completing 10 years of credited service on October 15, 2013 shall retain the "Rule of 70" normal retirement date.

Upon normal retirement, police officers eligible for normal retirement at September 30, 2012 and firefighters eligible for normal retirement at September 30, 2013 will receive a monthly pension, payable for life, equal to 3% of the highest three-year average annual earnings multiplied by years of credited service with a maximum of 75% of average annual earnings. For police officers not eligible for normal retirement at September 30, 2012 the normal retirement benefits shall be 3% for the first 10 years of credited service and 2.5% thereafter (however, credited service prior to September 30, 2012 will accrue at 3%), multiplied by average final compensation, with a maximum of 75% of average final compensation. For firefighters, effective September 30, 2013, the monthly amount of normal retirement income payable to firefighter hired on or after that date shall equal 3% of average final compensation multiplied by the first 10 years of credited service, and 2.5% of average final compensation multiplied by the total years of credited service in excess of the first 10 years of credited service, with the combined normal retirement income not to exceed 75 percent of average final compensation. Notwithstanding the foregoing, the normal retirement income payable to participants, other than police officers and firefighters, who as of September 30, 2010 attained the normal retirement date in effect on September 29, 2010, shall be based on the highest three-year average.

For employees other than firefighters and police officers who are not included in any bargaining unit for collective bargaining purposes (excluded employees), normal retirement benefits are accrued benefits as of September 30, 2010, plus the following:

- (a) Managerial employees: 3% multiplier for first 10 years; 2.25% thereafter;
- (b) Professional/supervisory employees: 2.5% multiplier for first 10 years; 2.25% thereafter;
- (c) Confidential employees: 2.25% multiplier; and
- (d) Appointed officials: 3% multiplier.

All participants, with the exception of members of the bargaining units represented by the Fraternal Order of Police, Lodge No. 7, and the International Association of Firefighters, Local 1210, who retire after completing 40 years of service, the benefit will be calculated using 80% of the highest two year average annual earnings.

Early retirement, disability, death and other benefits are also provided. For police officers not eligible for normal retirement at September 30, 2012, early retirement is eliminated. Firefighters who are employed on September 30, 2013 and have not attained early retirement eligibility as of that date, and firefighters hired on or after October 1, 2013, shall not be eligible for early retirement.

Cost of Living Adjustment - Effective January 1 of each year, participants who were receiving benefits for the full preceding year will receive a cost of living increase (COLA) based on a formula as defined in the ordinance, if the rate of return on the market value of assets is greater than or equal to 10%. Effective February 10, 2015, a COLA will not be paid if the present value of the impact of the COLA is greater than the net actuarial experience gain accumulated from all sources of gains and losses since July 1, 1994.

Termination - If a member terminates employment before retirement, their contributions are returned to them. The Plan also provides a special provision for vested benefits for employees who terminate after 10 years of service.

Member Contribution - All police officer and firefighter (prior to September 30, 2013) participants are required to contribute 5% of their total earnings to the Plan. Effective September 30, 2013, firefighters are required to contribute 8% of pensionable earnings to the Plan. See "Sensitivity of the net pension liability to change in the discount rate" below for further changes effective September 30, 2014. Members other than firefighters or police officers, who are not included in any bargaining unit for collective bargaining purposes, are required to contribute 10% of total earnings to the Plan. Effective October 1, 2010, all participants in the Teamsters Local Union 769 Bargaining Unit are required to contribute 10% of total earnings to the Plan. Effective October 1, 2011 general employees who were members of Local Union 769 and management employees shall have their contribution percentage increased based on increases in City contribution requirements since the October 1, 2009 actuarial provisions.

Funded Status and Funding Progress - Based on the latest actuarial valuation report as of October 1, 2014, the Plan's funded ratio is 56.62% with plan asset actuarial value of \$313.30 million and actuarial accrued liability of \$553.24 million. The actuarial valuation used the individual entry-age actuarial cost method, assumed investment rate of return of 7.75%, general inflation rate of 2.5%; and projected salary increases ranging from 4.25% to 5.75% depending on age, including inflation.

The actual city contributions to the Plan for the fiscal year ended September 30, 2014 amounted to \$25,554,746.

The funded status of the Plan as of October 1, 2014, the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

Valuation Date	10/1/14
Actuarial Value of Assets	\$313,298
Actuarial Accrued Liability (AAL) Entry Age	\$553,237
Unfunded AAL (UAAL)	\$239,939
Funded Ratio	56.6%
Annual Covered Payroll	\$37,013
UAAL as a % of Covered Payroll	648.26%

Actual Contributions - The actual City contributions, for active employees and the Share Plan contributions for the year ended September 30, 2014 amounted to \$25,700,576 and was determined by the October 1, 2012 actuarial valuation. For the fiscal year ended September 30, 2014, the actual amount of covered payroll was approximately \$36,297,000.

City, Share Plan and Employee contributions consisted of the following:

	Amount	Percent of Actual Annual Covered Member Payroll
City	\$25,554,746 ⁽¹⁾	70.40%
Share Plan	145,830	0.40%
Employee	4,095,928	11.28%
Total	\$29,796,504	82.08%

⁽¹⁾ The City contributed slightly more than the actuarially – determined required contribution described below.

Actuarially Determined Contributions - The contributions required from the City of Coral Gables and the State for the fiscal year ended September 30, 2014, were actuarially determined by the October 1, 2012 valuation report to be \$25,678,422. The actuarially computed annual covered payroll amounted to approximately \$39,652,000.

Funding requirements based on valuations prior to October 1, 2009, disclosed a specific dollar amount for the minimum required employer contribution which was based on the actuarially projected payroll. For the year ended September 30, 2011, at the request of the Division of Retirement, the City was required to contribute an amount based on the actuarially determined percentage of actual pensionable payroll ("percentage of payroll method").

Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain a contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. For the year ended September 30, 2014, the Plan determined to use the "fixed dollar contribution amount".

The required City contributions cover the following for the fiscal year ended September 30, 2014:

	Amount	Percent of Actuarially Computed Covered Payroll
Normal cost plus interest	\$3,855,969	9.93%
Amortization of unfunded liability	21,676,623	55.80%
Total	\$25,532,592	65.73%

Annual Pension Cost and Net Pension Obligation - Annual pension cost is a measure of the periodic cost of an employer's participation in a defined pension plan. The annual pension cost for the Plan for the fiscal years ended September 30, 2012, 2013 and 2014 are as follows (in thousands):

	2012	2013	2014
Annual pension cost	\$23,146	\$23,577	\$25,664
Percentage of annual pension cost contribution	100%	100%	100%

GASB 67 Disclosures

Net Pension Liability

The components of the net pension liability of the City at September 30, 2014 were as follows:

	Amount
Total pension liability	\$543,667,082
Plan fiduciary net position	(336,650,855)
Total net pension liability	\$207,016,227

Plan fiduciary net position as a percentage of the total pension liability	62%
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Actuarial Assumptions

The total pension liability at October 1, 2014 was determined using an actuarial valuation as of October 1, 2014. These actuarial valuations used the following actuarial assumptions:

Inflation	2.5%
Remaining amortization period	25 years
Projected salary increases	Service based table, rates ranging from 3.25% - 5.75%, depending on age, including inflation.
Investment rate of return	7.75% compounded annually, net of pension plan investment expense, including inflation.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Allocation of investments as of September 30, 2014 was as follows:

1.	Short Term Investments	0.0%	0.0%
2.	Domestic Equities	38.5%	35.6%
3.	International Equities	14.0%	19.0%
4.	Domestic Fixed Income	13.2%	14.3%
5.	International Fixed Income	4.9%	5.0%
6.	Real Estate	12.8%	12.4%
7.	Other Securities (Alternatives)	<u>16.6%</u>	<u>13.7%</u>
8.	Total Investments	100.0%	100.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments (7.75%) was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to change in the discount rate

The following presents the net pension liability of the City calculated using the discount rate of percent of 7.75%, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 higher) than the current rate as of October 1, 2014:

	City's Net Pension Liability		
	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75% higher)
October 1, 2014	\$256,957,586	\$207,016,227	\$164,615,367

According to Ordinance 2014-19, the following provisions become effective subsequent to the fiscal year end for the firefighters and police officers plans:

- Effective September 30, 2014, firefighters shall contribute 10% of their pensionable earnings to the system.
- Effective September 30, 2014, sworn police personnel shall contribute 10% of their pensionable earnings to the system.
- Effective September 30, 2014, there shall be no reduction in the maximum DROP period applicable to any police officer who defers entry into the DROP for more than six months following the earliest applicable DROP eligibility date.

The City provides pension benefits for its Police Officers and Firefighters, as a supplement to the benefits provided under the Coral Gables Retirement defined benefit pension plan, through two defined contribution plans, the Police Officers' Pension Fund and Firefighters' Pension Fund. Benefits from these plans depend solely on amounts contributed to the plans, plus investment earnings. Employer contributions to both plans are the proceeds of a tax on certain insurance companies collected by the State of Florida and distributed to qualified municipalities according to Florida Statutes, Chapter 185 for Police Officers and Chapter 175 for Firefighters. The plan is administered by the Police and Firefighters Pension Board. The Pension Board with approval of the City Commission has authority for amending the plan.

Police Officers

The Police Officers' Retirement Trust Fund (the "Plan") is a defined contribution pension plan covering all police officers employed by the City. The Plan was created and is operated under the Code of the City of Coral Gables, Chapter 50, "Pension", Article III - "Retirement System for Police Officers" enacted in 1988.

Police Officers participate from the date of employment as a police officer. Contributions to the Plan are distributed to participants based on the years of service for the individual participant as it relates to the total years of service for all participants. Each participant is credited one share for each year in the Plan, up to a maximum of thirty (30) shares. Initial shares will be credited to eligible participants on April 1 of each year. At September 30, 2014, the Plan membership consisted of 243 active members.

Employees are fully vested after 10 years of service; no partial vesting is provided. Amounts forfeited by employees who leave employment before 10 years of service are redistributed to the remaining participants.

The City contributions for the fiscal year ended September 30, 2014 were \$535,647 representing 4% of total covered payroll of police officers participating in the Plan of \$12,194,954.

The Police Officers Plan issues a publicly available financial report that includes the applicable financial statements and required supplementary information. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Retirement System Administrator, 3810 Inverrary Blvd., Lauderhill, Florida 33319.

Basis of accounting - the financial statement of the Plan have been prepared on the accrual basis of accounting. State contributions are recognized as revenue pursuant to approval by the State of Florida. Distributions are recognized when due and payable pursuant to the terms of the Plan. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investments - Reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statements of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

Firefighters

Plan Description - The Firefighters' Pension Fund (the "Plan") is a defined contribution pension plan covering all firefighters employed by the City. The Plan was created and is operated under the Code of the City of Coral Gables, Chapter 50, "Pension", Article IV - "Firefighters' Pension Trust Fund" enacted in 1988. Firefighters participate from the date of employment as a firefighter. Contributions to the Plan are distributed to participants based on a formula of 5 shares for being a firefighter plus 1 additional share for every 5 years of service as a firefighter. Employees in service prior to August 25, 1987 are fully vested; the remaining employees become fully vested after 10 years of service; no partial vesting is provided. Amounts forfeited by non-vested employees who leave employment are redistributed to the remaining participants. As of September 30, 2014, there are 138 plan members and 1,072 participating shares in the Plan.

The City contributions for the fiscal year were \$873,313, representing 6.6% of total covered payroll of firefighters participating in the plan of \$13,141,903. In addition, the Plan received from the State of Florida supplemental contributions of \$112,145.

Basis of accounting - the financial statement of the Plan have been prepared on the accrual basis of accounting. State contributions are recognized as revenue pursuant to approval by the State of Florida. Distributions are recognized when due and payable pursuant to the Plan. Interest and dividend income are recorded as earned.

Investments - Reported at fair value which is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by custodial bank and investment counsel. The Plan's Guaranteed Investment Contract is considered a nonparticipating contract since its fair value is not significantly affected by the impairment of the credit standing of the issuer or other factors. In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the contract is reported at cost.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statements of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

The following is condensed financial information for the Firefighters' Pension Fund, which does not issue a stand-alone report.

CITY OF CORAL GABLES, FLORIDA
 CERTAIN STATEMENTS OF FIDUCIARY NET POSITION
 FIREFIGHTERS' PENSION FUND
 September 30, 2014

ASSETS

Cash and Cash Equivalents	\$8,061
Due from Other Governments	985,458
Investments at Fair Value:	
Guaranteed Investment Contract	11,264,444
Mutual Funds	<u>4,347,634</u>
Total Assets	<u>16,605,597</u>

LIABILITIES

Due to Coral Gables Retirement Fund	<u>52,271</u>
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NET POSITION

Restricted for Employees' Retirement Systems	<u>\$16,553,326</u>
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CITY OF CORAL GABLES, FLORIDA
 CERTAIN STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
 FIREFIGHTERS' PENSION FUND
 For the Fiscal Year Ended September 30, 2014

ADDITIONS

Contributions:

Employer	<u>\$985,458</u>
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Investment Income:

Appreciation in the Fair Value of Investments	368,816
Investment Earnings	<u>338,164</u>
Total Investment Income	706,980
Less Investment Expense	<u>87,848</u>
Net Investment Income	<u>619,132</u>
Total	\$1,604,590

DEDUCTIONS

Employee Benefits	<u>548,204</u>
Change in Net Position	1,056,386
Net Position – Beginning	<u>15,496,940</u>
Net Position – Ending	<u>\$16,553,326</u>

Other Post-Employment Benefits

Plan Description – The City provides health insurance benefits to its retired employees through a single-employer plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium where premiums are determined based upon a blend of active employees and retirees. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a retiree’s lifetime (or until such time at which retiree discontinues coverage under the City sponsored plan, if earlier).

Funding Policy - Currently, the City’s Retiree Health Care Plan is unfunded. The City is financing the other post-employment benefits (OPEB) on a pay-as-you go basis. There are no separate trust funds or equivalent arrangement into which the City contributes to advance-fund the OPEB obligations, as it does for its retiree pension plans. Annual required implied contributions amounted to \$1,794,460 for the current fiscal year, toward which the City made an implied contribution which amounted to \$633,092. At September 30, 2014, the City recognized a net OPEB obligation of \$6,854,031 for governmental activities and \$178,632 for business-type activities in its government-wide statement of net assets and proprietary fund statement. The internal service funds reported a net OPEB obligation of \$161,886 which is reported in the governmental activities total previously mentioned. The net OPEB obligation is a function of annual required contribution, interest, adjustments to the annual required contribution and actual employers’ contribution made to the plan.

Annual OPEB Cost and Net OPEB Obligation - The City’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City’s annual OPEB cost for the year ended, the amount actually contributed to the plan as an implicit subsidy, and changes in the City’s net OPEB obligation to the retiree health plan:

Annual Required Contribution (ARC)	\$1,794,460
Interest on Net OPEB Obligation	205,393
Adjustment to ARC	(202,459)
Annual OPEB Cost (Expense)	<u>1,797,394</u>
Employer Contribution	<u>(633,092)</u>
Increase in Net OPEB Obligation	1,164,302
Net OPEB Obligation – beginning of year	<u>5,868,361</u>
Net OPEB Obligation – ending of year	<u>\$7,032,663</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended September 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
2014	\$1,797,394	35.22%	\$7,032,663
2013	\$1,726,703	33.70%	\$5,868,361
2012	\$1,878,219	34.78%	\$4,723,610
2011	\$1,790,840	32.80%	\$3,498,542

Funded Status and Funding Progress - As of September 30, 2014, the OPEB schedule of funding progress was as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
\$0	\$25,036,194	\$25,036,194	0.0%	\$48,491,310	51.6%

Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan member) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of the assets consistent with the long-term perspective of the calculations. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Significant actuarial assumptions and methods used to estimate the OPEB liability are as follows:

Valuation date	September 30, 2014
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll, Open
Amortization period	30 years
Actuarial assumptions:	

Assumed rate of return on investments	3.50%
Assumed rates of salary increase	3.75% - 5.25%
Assumed payroll growth	3.50% per year
Initial trend rate	9.00%
Ultimate trend rate	4.5%
Inflation rate	3.25%

Population

CITY OF CORAL GABLES AND THE STATE OF FLORIDA Population Trends 1990-2002

Year	City of Coral Gables	Average Annual	State of Florida	Average Annual
		Percentage Increase		Percentage Increase
1990	40,091	---	12,937,926	---
2000	42,249	0.54	15,982,400	2.35
2005	42,669	(0.22)	17,918,227	2.29
2006	42,761	0.22	18,349,132	2.40
2007	43,000	0.56	18,680,367	1.81
2008	45,798	6.51	18,807,219	0.68
2009	45,501	(0.65)	18,750,483	(0.30)
2010	45,501	0.00	18,802,690	0.03
2011	46,780	2.81	19,082,262	1.49
2012	47,401	1.32	19,317,568	1.23
2013	49,411	4.24	19,552,860	1.22
2014	49,631	0.04	19,893,297	1.74

Source: Estimates prepared by the Bureau of Economic and Business Research, University of Florida and reported by the Legislative Committee on Intergovernmental Relations in Local Government Financial Information Handbooks.

Health Care

The City boasts 3 hospitals with approximately 773 beds within its city limits, and one nursing home of 20 beds.

Transportation

The city is located four miles from Miami International Airport, six miles from the Port of Miami. Two metro-rail stations serve the City.

Recreation

The City boasts 11 hotels and motels, a public library, a museum, 32 private art galleries. The City bills itself as the restaurant capital of South Florida, with more than 120 restaurants.

**City of Coral Gables
Principal Taxpayers
January 1, 2014**

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total 2013 Taxable Value \$12,280,770,590</u>
Merrick Park LLC	\$97,161,665	1	0.79%
Banyan St GAP Douglas Ent Own LLC	77,000,000	2	0.63
Prisa Ponce de Leon, LLC	73,647,767	3	0.60
396 Alhambra LLC	61,626,358	4	0.50
355 Alhambra Plaza LLC	61,100,000	5	0.50
South Florida Equities Reit Inc.	57,741,265	6	0.47
Ponte Gadea Gables, LLC	55,425,103	7	0.45
Coral Gables Associates	51,150,000	8	0.42
The Collection Properties LLC	50,806,316	9	0.41
General Growth Properties	<u>50,452,200</u>	10	<u>0.41</u>
Totals	\$636,110,674		5.18%

Property assessed on January 1, 2013 for 2013-14 tax levy.

Source: City of Coral Gables Comprehensive Annual Financial Report for Fiscal year ending September 30, 2014.

**Labor Force Summary
Annual Average**

<u>Year</u>	<u>Miami-Dade County</u>				<u>State of Florida</u>			
	<u>Labor Force</u>	<u>Employ- ment</u>	<u>Unemploy- ment</u>	<u>% Rate</u>	<u>Labor Force (000)</u>	<u>Employ- ment (000)</u>	<u>Unemploy- ment(000)</u>	<u>% Rate</u>
2005	1,147,797	1,111,437	36,360	3.2	8,721	8,399	322	3.7
2006	1,192,179	1,159,006	33,173	2.8	9,000	8,710	291	3.2
2007	1,226,005	1,188,136	37,869	3.1	9,157	8,790	367	4.0
2008	1,228,554	1,169,367	59,187	4.8	9,216	8,637	578	6.3
2009	1,209,622	1,083,804	125,818	10.4	9,095	8,148	947	10.4
2010	1,225,397	1,089,226	136,171	11.1	9,212	8,194	101	11.1
2011	1,255,524	1,136,962	118,562	9.4	9,302	8,372	930	10.0
2012	1,285,446	1,178,137	107,309	8.3	9,395	8,595	800	8.5
2013	1,292,216	1,194,492	97,724	7.6	9,473	8,783	690	7.3
2014	1,320,447	1,230,641	89,806	6.8	9,638	9,034	603	6.3

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics Program, as reported at www.labormarketinfo.com.

Assessed Value and Property Tax Collections

**CITY OF CORAL GABLES
PROPERTY TAX LEVIES AND TAX COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Total Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$56,576,305	\$53,235,436	94.09%	\$231,212	\$53,466,648	94.50%
2006	66,217,669	61,536,367	92.93	332,579	61,868,946	93.43
2007	73,452,215	69,634,307	94.80	95,957	69,730,264	94.93
2008	72,556,824	65,791,821	90.68	596,813	66,388,634	91.50
2009	68,055,518	65,609,457	96.41	787,734	66,397,191	97.56
2010	72,300,304	69,328,037	95.89	949,225	70,277,262	97.20
2011	68,735,926	65,131,368	94.76	1,946,716	67,078,084	97.59
2012	66,647,377	64,648,342	97.00	1,729,247	66,377,589	99.60
2013	65,676,937	61,713,029	93.96	645,906	62,358,935	94.95
2014	66,561,720	65,257,324	98.04	-	65,257,324	98.04

Source: City of Coral Gables Comprehensive Annual Financial Report for the Fiscal Year ending September 30, 2014.

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**CITY OF CORAL GABLES
ASSESSED VALUES OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year <u>Ended</u>	Assessed Value		Total Assessed <u>Value*</u>	Total Direct <u>Tax Rate</u>
	<u>Real Property</u>	<u>Personal Property</u>		
2005	\$7,834,696,998	\$346,181,099	\$8,180,878,097	5.990
2006	10,072,262,531	537,053,435	10,609,315,966	6.150
2007	11,383,139,491	348,009,820	11,731,149,311	6.150
2008	12,743,051,207	337,759,609	13,080,810,816	5.250
2009	11,875,112,539	312,425,424	12,187,537,963	5.250
2010	11,069,459,141	297,254,234	11,366,713,375	5.895
2011	11,150,104,798	273,567,777	11,423,672,575	6.072
2012	11,582,581,921	288,250,994	11,870,832,915	5.869
2013	11,752,319,227	273,243,675	12,025,562,902	5.669
2014	11,996,154,496	284,616,094	12,280,770,590	5.629

Source: Miami-Dade County Property Appraiser.

* Final tax roll values from the Department of Property Appraisal, except for 2012-2014 which are based on Certification of Taxable Value Form DR-420 for respective years.

**GENERAL GOVERNMENT TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(\$ AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year <u>Ended</u>	General Property <u>Taxes</u>	Franchise <u>Taxes</u>	Utilities Services <u>Taxes</u>	Other <u>Taxes</u>	<u>Total Taxes</u>
2005	\$53,467	\$5,487	\$9,594	\$2,503	\$71,051
2006	64,587	6,691	9,939	2,717	83,934
2007	69,730	7,284	10,187	2,645	89,846
2008	66,389	7,161	10,423	2,569	86,542
2009	66,397	7,049	11,293	2,378	87,117
2010	70,277	6,276	11,220	2,399	90,172
2011	67,078	6,336	10,954	2,552	86,920
2012	66,378	6,764	10,898	2,703	86,743
2013	62,359	6,393	11,316	2,784	82,852
2014	65,257	6,851	11,862	2,909	86,879

**CITY OF CORAL GABLES
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	City Tax Rates			County Millage	School Millage	Special Taxing District Millage	Total
	Operating Millage	Debt Service Millage	Total City Millage				
2005	5.990	0.000	5.990	7.184	8.687	0.07350	22.5960
2006	6.150	0.000	6.150	7.069	8.438	0.7350	22.3920
2007	6.150	0.000	6.150	6.808	8.105	0.7350	21.7980
2008	5.250	0.000	5.250	5.670	7.948	0.6590	19.5270
2009	5.250	0.000	5.250	5.926	7.797	0.6590	19.6320
2010	5.895	0.000	5.895	6.005	7.995	0.6590	20.5540
2011	6.072	0.000	6.072	6.656	8.249	0.6585	21.6360
2012	5.869	0.000	5.869	5.769	8.005	0.4708	20.1140
2013	5.669	0.000	5.669	5.161	7.998	0.4634	19.2914
2014	5.629	0.000	5.629	5.798	7.977	0.4455	19.8495

Florida law limits the city, school and county each to a maximum of \$10 per \$1,000 taxable value for operations. Millage tax rates are per \$1,000 taxable value.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2015A Bonds in definitive form, Bryant Miller Olive P.A., Bond Counsel, propose to render their separate final approving opinion in substantially the following form:

[Dated Date of Closing]

Sunshine State Governmental
Financing Commission
Tallahassee, Florida

Re: \$_____ Sunshine State Governmental Financing Commission
Capital Improvement Revenue Bonds, Series 2015A (Coral Gables Program)
(the "Series 2015A Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the Sunshine State Governmental Financing Commission (the "Commission") of the Series 2015A Bonds to be issued pursuant to the Trust Indenture dated as of September 1, 2015A (the "Indenture"), each between the Commission and U.S. Bank National Association, as trustee (the "Trustee") and a Resolution of the Commission adopted on June 15, 2015 (the "Resolution"). All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The proceeds of the Series 2015A Bonds will be loaned to Coral Gables, Florida (the "Governmental Unit") to finance the cost of qualified projects (the "Project") pursuant to the terms of the 2015 Loan Agreement. As to questions of fact material to our opinion, we have relied upon representations of the Commission contained in the Indenture and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date

herewith of James R. English, Esq., as to the due creation and valid existence of the Commission, the due adoption of the Resolution, the due execution and delivery of the Indenture, the due execution and delivery of the Series 2015A Bonds and the compliance by the Commission with all conditions contained in ordinances and resolutions of the Commission precedent to the issuance of the Series 2015A Bonds. Finally, we have assumed the proper authorization, execution and delivery of the 2015 Loan Agreement and the validity of such 2015 Loan Agreement and in rendering this opinion are not passing upon such matters.

The Series 2015A Bonds do not constitute a general obligation or indebtedness of the Commission within the meaning of any constitutional, statutory or other limitation of indebtedness, but pursuant to the Indenture shall be payable solely from the Trust Estate. The holders of the Series 2015A Bonds shall never have the right to compel the exercise of any ad valorem taxing power of any political subdivision of the State of Florida or taxation in any form of any real or personal property for the payment of the principal of or interest on the Series 2015A Bonds.

In rendering the opinions set forth below, we have examined a certified copy of the Resolution, an executed copy of the Indenture and an executed copy of the 2015 Loan Agreement and are relying on the representations, warranties, covenants and agreements of the Commission and the Governmental Unit contained therein.

We have also examined certified copies of the proceedings of the Commission, and other information submitted to us relative to the issuance and sale by the Commission of the Series 2015A Bonds. In addition to the foregoing, we have examined and have relied upon such other agreements, certificates, documents and opinions, including certificates or representations of public officials and other officers and representatives of the various parties participating in this transaction as we have deemed relevant and necessary in connection with the opinions expressed below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, documents, certificates, representations and opinions, and have relied solely on the facts, estimates and circumstances described and set forth therein.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Indenture has been duly executed by the Commission and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and binding obligation of the Commission enforceable against the Commission in accordance with its terms.
2. The Series 2015A Bonds are valid and binding limited obligations of the Commission enforceable in accordance with their terms, payable solely from the Trust Estate in accordance

with the terms and conditions of the Indenture.

3. Interest on the Series 2015A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and a portion of the interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer and the Governmental Unit complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series 2015A Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Commission has covenanted in the Indenture and the Governmental Unit has covenanted in the 2015 Loan Agreement to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2015A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2015A Bonds.

It is to be understood that the rights of the owners of the Series 2015A Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any other offering material relating to the Series 2015A Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2015A Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2015A Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to the compliance by the Commission or the Underwriter with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2015A Bonds. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2015A Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Very truly yours,
BRYANT MILLER OLIVE P.A.

APPENDIX C

**EXCERPTS OF AUDITED FINANCIAL STATEMENTS OF
THE ISSUER FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

APPENDIX D

EXCERPTS OF AUDITED FINANCIAL STATEMENTS OF THE CITY OF CORAL GABLES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

The Financial Statements for the Fiscal Year ended September 30, 2014 included in this Official Statement as APPENDIX "D" have been audited by _____, independent auditors, as stated in their report dated _____, 2015. Such audited financial statements, including the notes thereto, should be read in their entirety.