

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2018

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 2018 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Series 2018 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years beginning on and after January 1, 2018. See "TAX EXEMPTION" herein for a description of other tax consequences to holders of the Series 2018 Bonds.

SUNSHINE STATE GOVERNMENTAL FINANCING COMMISSION
\$_____ * CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2018A
\$_____ * CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2018B
(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 May 1, 2018 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee, to issue its \$_____ * Capital Improvement Revenue Bonds, Series 2018A (Coral Gables Program) (the "Series 2018A Bonds") and its \$_____ * Capital Improvement Revenue Refunding Bonds, Series 2018B (Coral Gables Program) (the "Series 2018B Bonds"; collectively, the "Series 2018 Bonds"). Proceeds of the Series 2018 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 separate Loan Agreements, each dated as of May 1, 2018 (the "2018A Loan Agreement" and "2018B Loan Agreement", collectively, the "Loan Agreements") with the Issuer pursuant to which it will obligate itself to repay the Loan. The Series 2018 Bonds shall bear interest at the interest rates and mature in the amounts as set forth on the inside cover hereof. Payment of Loan Repayments (as defined in the Loan Agreements) is secured as provided in the Loan Agreements by the Pledged Revenues, which consist of (i) Non-Ad Valorem Revenues budgeted and appropriated as described below, and (ii) amounts on deposit in the Debt Service Fund established under the Indenture. See "SECURITY FOR THE LOAN AGREEMENTS" herein. The City is the only governmental unit obligor under the Issuer's program authorized by the Indenture. The Issuer may establish separate series of Bonds under the Indenture, secured by separate future loan agreements.

The Series 2018 Bonds are subject to optional and extraordinary mandatory redemption prior to maturity under the terms and conditions more fully described in this Official Statement. See "THE SERIES 2018 BONDS – Redemption," herein.

Interest on the Series 2018 Bonds is payable semiannually on each April 1 and October 1 commencing October 1, 2018. The Series 2018 Bonds are issued 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 2018 Bonds. Purchases of beneficial interests in the Series 2018 Bonds will be made in denominations of \$5,000 or any integral multiple of

\$5,000. Purchases of beneficial interests in the Series 2018 Bonds will be in book-entry only form, and purchasers of beneficial interests in the Series 2018 Bonds will not receive physical delivery of bond certificates. As long as DTC or its nominee is the registered owner of the Series 2018 Bonds, payments of the principal of and interest on the Series 2018 Bonds will be made directly to DTC or its nominee. See "THE SERIES 2018A BONDS AND SERIES 2018B BONDS – Book Entry-Only System" in this Official Statement.

The Series 2018 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 2018 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 Loan Agreements).

The obligation of the City under the Loan Agreements is a special and limited obligation of the City and is payable solely from the sources described in the Loan Agreements. The Loan Agreements do 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 2018 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.

Electronic bids for the Series 2018 Bonds will be received through the Bidcomp/Parity Competitive Bidding System via separate bids as described in the Official Notice of Sale.

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 2018 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 2018 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. Public Financial Management, Inc. is acting as financial advisor to the Issuer in connection with the issuance of the Series 2018 Bonds. It is expected that delivery of the Series 2018 Bonds will be made to DTC in New York, New York, on or about May ____, 2018.

Dated: April ____, 2018

MATURITY SCHEDULE

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

\$ _____ *

**Sunshine State Governmental Financing Commission
Capital Improvement Revenue Bonds,
Series 2018A
(Coral Gables Program)**

<u>Maturity</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Initial CUSIP</u> <u>No.†</u>
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\$ _____ *

**Sunshine State Governmental Financing Commission
Capital Improvement Revenue Refunding Bonds,
Series 2018B
(Coral Gables Program)**

<u>Maturity</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Initial CUSIP</u> <u>No.†</u>
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* Preliminary, subject to change.

† 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

Diana Gomez, Chair
City of Coral Gables, Florida

Christopher P. McCullion, Vice-Chair
City of Orlando, Florida

Frank P. Hinton, Secretary-Treasurer
Miami-Dade County, Florida

Richard Iavarone, Director
Palm Beach County, Florida

James O. Cooke, IV, Director
City of Tallahassee, Florida

STAFF & CONSULTANTS

Robert B. Inzer
Executive Director
Leon County, Florida

G. Michael Miller
Deputy Executive Director

James R. English
General Counsel

Bryant Miller Olive P.A.
Bond Counsel

Richard C. 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
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 2018 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 2018 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 2018 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE INDENTURE OR THE LOAN AGREEMENTS 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 2018 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 2018A
\$_____ * CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2018B
(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 2018A (Coral Gables Program) (the "Series 2018A Bonds") and \$_____ * Capital Improvement Revenue Refunding Bonds, Series 2018B (Coral Gables Program) (the "Series 2018B Bonds"; collectively with the Series 2018A Bonds, the "Series 2018 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 May 1, 2018 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee, will issue the Series 2018 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 2018 BONDS" and "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," herein. The Series 2018 Bonds and any other Bonds issued pursuant to the Indenture, including the Series 2016B 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 LOAN AGREEMENTS -- 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 Loan Agreements (as hereinafter defined). The Governmental Unit will enter into separate Loan Agreements, each dated as of May 1, 2018, with the Issuer (the "2018A Loan Agreement" and "2018B Loan Agreement", collectively, the "Loan Agreements") pursuant to which it will obligate itself to repay the loans related to the Series 2018A Bonds and Series 2018B Bonds, respectively (collectively, the "Loan"). See "SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENTS," herein. Payment of Loan Repayments (as defined in the Loan Agreements) when due, is secured as provided in the Loan Agreements. See "SECURITY FOR THE LOAN AGREEMENTS" herein. The City is the only governmental unit obligor under the program established by the Indenture.

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. The Issuer has a volunteer executive staff and engages consultants and contractors to manage and administer its financing programs. The program administrator is an employee of the Issuer. 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; 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, multimodal 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 \$112.083 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 \$393.37 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 \$_____ million as of April 1, 2018, which were issued pursuant to separate loan agreements and are not secured by the Indenture. See "SECURITY FOR THE LOAN AGREEMENTS – Other Obligations Payable from Non-Ad Valorem Revenues", herein. This program is referenced as the "Coral Gables Program" or the "Program".

More information about the 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 2018 BONDS

General

The Series 2018 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 2018 Bonds will be subject to the redemption provisions set forth below. Interest on the Series 2018 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 October 1, 2018.

The Indenture provides for the issuance of other Series of Bonds under certain circumstances. The Series 2018 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 2018 Bonds shall be payable when due by check, upon presentation and surrender of the Series 2018 Bonds at the Designated Office of the Trustee, and interest will be payable by check mailed by the Trustee on each Interest Payment Date to the holders of the Series 2018 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 2018 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 2018 Bonds is in effect, payments of principal, premium, if any, and interest on the Series 2018 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 2018 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 2018 Bonds maturing on or after April 1, 20__ 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 April 1, 20__, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Credit of Bonds Purchased in the Open Market. Pursuant to written direction of the Issuer received by the Trustee at least 45 days prior to the purchase of any Series 2018 Bonds in the open market, the Trustee shall purchase Series 2018 Bonds from moneys available in the appropriate account of the Principal Fund, if such purchase price is below the redemption price stated in the Indenture and as described above. Such purchased Series 2018 Bonds shall be credited against any Series 2018 Bonds to be called from redemption pursuant to the Indenture.

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 2018 Bonds

As more fully described under the heading "SECURITY FOR THE LOAN AGREEMENTS," below, the Series 2018A Bonds and Series 2018B Bonds are secured by payments made by the Governmental Unit under the respective separate Loan Agreements. The Governmental Unit has covenanted in the Loan Agreements 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 Loan Agreements. The Governmental Unit has certain other obligations also secured by a covenant to budget and appropriate Non-Ad Valorem Revenues, 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 Loan

Agreements. See also "SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENTS" and "SECURITY FOR THE LOAN AGREEMENTS", herein.

Plan of Finance; Additional Series of Bonds

The Issuer is issuing the Series 2018A Bonds on behalf of the Governmental Unit to finance certain capital improvements in and for the Governmental Unit, consisting of construction of a public safety building with attached parking garage, which will house the Governmental Unit's fire department, human resources department, information technology department, labor relations and television station, emergency operations and communications center, public safety training facilities, gun range and memorial site. The Series 2018B Bonds are being issued for the purpose of refunding the Issuer's Refunding Revenue Bond, Series 2012 (the "Refunded Bond"). The Indenture permits the Issuer to issue other separate series of Bonds secured by 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 Loan Agreements, but said loan agreements would secure only said separate Bonds. The 2018A Loan Agreement is designated to secure only the Series 2018A Bonds, and the 2018B Loan Agreement is designed only to secure the Series 2018B Bonds. In addition, the Governmental Unit has previously incurred certain other existing indebtedness secured by a covenant to budget and appropriate Non-Ad Valorem Revenues. See "SECURITY FOR THE LOAN AGREEMENTS -- Other Obligations Payable from Non-Ad Valorem Revenues" herein.

Book Entry-Only System

The information provided immediately below concerning DTC and the Book Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter, the City, the Governmental Unit or U.S. Bank National Association, as Registrar (the "Registrar").

Unless the book-entry system described herein is terminated, DTC will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered bond certificates will be issued for the Series 2018 Bonds, and will be deposited with the Registrar on behalf of DTC. Individual purchases of beneficial interests in the Series 2018 Bonds will be made in increments of \$5,000 or integral multiples thereof.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money

market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's Rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The contents of such website do not constitute a part of this Official Statement.

Purchases. Purchases of the Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2018 Bonds may wish to take certain steps to augment the

transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NEITHER THE CITY NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2018 BONDS. THE CITY CANNOT PROVIDE ANY ASSURANCE THAT DTC, DIRECT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2018 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR ANY NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Payments. Payments on the Series 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Registrar on the relevant payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuance of Book Entry-Only System. DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to

the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificated Series 2018 Bonds are required to be printed and delivered to the holders of record.

The City and the Governmental Unit may decide to discontinue use of the system of book entry-only transfers through DTC (or a successor securities depository) with respect to the Series 2018 Bonds. Under current industry practices, however, DTC would notify its Direct or Indirect Participants of the City's and Governmental Unit's decision but will only withdraw beneficial interests from a Series 2018 Bonds at the request of any Direct or Indirect Participant. In that event, certificates for the Series 2018 Bonds will be printed and delivered.

No Assurance Regarding DTC Practices

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City and the Governmental Unit believes to be reliable, but the City, the Governmental Unit, the Underwriters and the Registrar take no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Series 2018 Bonds as nominee of DTC, references herein to the holders or registered owners of the Series 2018 Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Series 2018 Bonds.

Neither the City, the Registrar nor the Underwriters will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, (iii) the selection by DTC or by any Direct or Indirect Participant of any Beneficial Owner to receive payment in the event of a partial redemption of the Series 2018 Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the Series 2018 Bonds.

Registration, Transfer and Exchange

Subject to the provisions described above under "-- Book Entry-Only System" while the Series 2018 Bonds are held under a book entry system of registration, the Series 2018 Bonds will be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Laws of the State of Florida, subject to the DTC Book Entry-Only System and to the provisions for registration, exchange and transfer contained in the Resolution and in the Series 2018 Bonds. The Series 2018 Bonds will be transferable only upon the registration books maintained for such purpose at the corporate trust office of the Registrar. So long as any of the Series 2018 Bonds remain outstanding, the Registrar must maintain and keep books for the registration of the Series 2018 Bonds.

All Series 2018 Bonds presented for transfer, exchange, or payment (if so required by the City, the Governmental Unit or the Registrar) must be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature

satisfactory to the City, the Governmental Unit or the Registrar, duly executed by the Registered Owner or by his or her duly authorized attorney.

The Registrar, the City or the Governmental Unit may require payment from the Registered Owner or transferee of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any exchange or transfer of the Series 2018 Bonds. Such charges and expenses shall be paid before any new Series 2018 Bonds shall be delivered.

The Registrar is not required to issue, transfer or exchange any Series 2018 Bonds between the Record Date and the relative Interest Payment Date on such Series 2018 Bonds or, in the case of any proposed redemption of Bonds, after any such Series 2018 Bonds or any portion thereof has been selected for redemption.

New Series 2018 Bonds delivered upon any transfer or exchange will be valid obligations of the City, evidencing the same debt as the Series 2018 Bonds surrendered, will be secured by the Resolution, and will be entitled to all of the security and benefits of the Resolution to the same extent as the Series 2018 Bonds surrendered.

The City, the Governmental Unit and the Registrar may treat the Registered Owner of any Series 2018 Bonds as the absolute owner thereof for all purposes, whether or not such Series 2018 Bonds are overdue, and will not be bound by any notice to the contrary.

THE PROGRAM

General

The Issuer is authorized by the Act to issue the Series 2018 Bonds pursuant to the Indenture and as part of its "Coral Gables Program" as described above. The Series 2018 Bonds were validated pursuant to the final judgment of validation of the Circuit Court in and for Leon County, Florida dated December 15, 2008, the period for appeal of which has expired with no appeal being filed.

The Governmental Unit

The obligation of the Governmental Unit under the Loan Agreements 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 respective Loan Agreements corresponds to the payment when due of principal and interest on the Series 2018A Bonds and Series 2018B Bonds. The Loan Agreements obligate the Governmental Unit to pay when due principal of and interest on the Loan from the Pledged Revenues (as defined herein). The Loan Agreements do not

obligate the Governmental Unit to pay directly debt service on the Series 2018A Bonds and Series 2018B Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the Series 2018 Bonds:

Series 2018A Bonds

SOURCES OF FUNDS:

Par Amount	\$
[Net] Original Issue [Premium/Discount].....	
TOTAL SOURCES	<u>\$</u>

USES OF FUNDS:

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

Series 2018B Bonds

SOURCES OF FUNDS:

Par Amount	\$
[Net] Original Issue [Premium/Discount].....	
TOTAL SOURCES	<u>\$</u>

USES OF FUNDS:

Deposit to Redeem the Refunded Bond Fund.....	\$
Costs of Issuance ⁽¹⁾	
TOTAL USES.....	<u>\$</u>

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

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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, to the extent applicable to the Governmental Unit, 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 "holders of Bonds" 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 2018 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 Issuer in connection with the enforcement of any of the remedies under a Loan Agreements after the occurrence of an "Event of Default" under a Loan Agreements 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 Agreements 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 Agreements 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 Agreements.

"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 and certain proceeds of the Bonds as authorized by the Constitution and laws of the State, including particularly the Act, as and to the extent provided in the Indenture. The Bonds and the Issuer's other obligations under the Indenture 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 or municipal corporation 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 Agreements).

Funds and Accounts

Pursuant to each Loan Agreements, 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 Agreements 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 Issuer in a certificate of, or telephonic advice promptly confirmed by a certificate of the Issuer. 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 Issuer 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 2018 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;
- (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; or
- (e) To issue additional Series of Bonds.

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 to the Indenture 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 the Loan Agreements that may be required (a) by the provisions of the Loan Agreements 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 the Loan Agreements 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 the Loan Agreements 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 the Loan Agreements, 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 Issuer 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 the Loan Agreements, a reduction in, or a postponement of, the payments under the Loan Agreements or the Governmental Unit's covenant to budget and appropriate Non-Ad Valorem Revenues (as such terms are defined in the Loan Agreements), if applicable, in favor of the Issuer, 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 LOAN AGREEMENTS

The following is a summary of certain provisions of the Loan Agreements. Reference is made to the Loan Agreements 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 Loan Agreements and described below.

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

"Loan Repayment Date" means each April 1 and October 1, commencing October 1, 2018, 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 respective 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 Loan Agreements; (ii) the amount required to pay principal of, premium, and interest to accrue to the redemption date on the Series 2018 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 Loan Agreements.

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 Loan Agreements. Such payments shall be all amounts necessary to pay the Series 2018 Bonds.

Payment of Additional Payments

By execution of the Loan Agreements, 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 Agreements, including, but not limited to:

- (1) the cost of reproducing the Loan Agreements;
- (2) the reasonable fees and disbursements of counsel utilized by the Issuer and the Trustee in connection with the Loan, the Loan Agreements and the enforcement thereof;
- (3) reasonable extraordinary fees of the Trustee following an Event of Default under the Loan Agreements;
- (4) all other reasonable out-of-pocket expenses of the Trustee and the Issuer in connection with the Loan, the Loan Agreements and the enforcement thereof;
- (5) all taxes (including any recording and filing fees) in connection with the execution and delivery of the Loan Agreements and the pledge and assignment of the Issuer's right, title and interest in and to the Loan and the Loan Agreements, 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 of the Loan Agreements;
- (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.

Prepayment of Loan Repayments

The Loan may be prepaid in whole or in part by payment of the Optional Prepayment Price on the dates and in the amounts on which the Series 2018 Bonds are subject to optional redemption as described above under the heading "THE SERIES 2018 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 2018 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 2018 Bonds shall be no longer in effect and all future obligations of the Governmental Unit under the Loan Agreements shall cease. For purposes of the preceding sentence, deposit of sufficient cash and/or Government Obligations (as defined in the Loan Agreements) 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 2018 Bonds, shall be considered "provision for payment."

Security for Loan Repayment

Pursuant to the Loan Agreements, the Governmental Unit has pledged the Pledged Revenues to secure repayment of the Loan. See "SECURITY FOR THE LOAN AGREEMENTS", 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 to satisfy the Loan Repayments as required under the Loan Agreements. 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 Loan Agreements 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.

Events of Default Defined

The following shall be "Events of Default" under the Loan Agreements and the terms "Event of Default" and "Default" shall mean (except where the context clearly indicates otherwise), whenever they are used in the Loan Agreements, 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 Loan Agreements 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 Loan Agreements (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 Loan Agreements or in any instrument furnished in compliance with or in reference to the Loan Agreements, 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 Loan Agreements;

(e) Any provision of the Loan Agreements material to the performance of the obligations of the Governmental Unit under the Loan Agreements 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 Loan Agreements 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 Loan Agreements) or the Governmental Unit shall deny that it has any or further liability or obligation under the Loan Agreements;

(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 Loan Agreements. Notwithstanding the foregoing sentence, in order to constitute an "Event of Default" under the

Loan Agreements, 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 Loan Agreements 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 Loan Agreements or to enforce any other of its or their rights thereunder.

Continuing Disclosure

The Loan Agreements impose 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 LOAN AGREEMENTS

Special Obligation

THE OBLIGATION OF THE GOVERNMENTAL UNIT UNDER THE LOAN AGREEMENTS 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 LOAN AGREEMENTS. 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 LOAN AGREEMENTS. 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 Loan Agreements, 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 Loan Agreements. "Non-Ad Valorem Revenues" is defined in the Loan Agreements 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 Loan Agreements, 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 budget and 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 Loan Agreements shall have the effect of making available for the payment of the Series 2018 Bonds, in the manner described in the Loan Agreements, 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 Loan Agreements and in the Indenture. Notwithstanding the foregoing or any provision of the Loan Agreements 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 2018 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.

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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 Loan Agreements. Such indebtedness is summarized below:

<u>Revenue Bonds⁽¹⁾</u>	<u>Date of Origination</u>	<u>Original Loan Amount</u>	<u>Principal Balance⁽²⁾</u>	<u>Debt Type</u>
Series 2011C	June 30, 2011	\$4,365,000	\$3,390,000	TX ⁽⁴⁾ -Variable
Series 2012 ⁽⁵⁾	June 5, 2012	49,350,000	35,285,000	TE ⁽³⁾ -Fixed
Series 2013A	February 28, 2013	16,795,000	13,205,000	TE ⁽³⁾ -Fixed
Series 2013B	February 28, 2013	4,350,000	3,390,000	TX ⁽⁴⁾ -Fixed
Series 2014	August 12, 2014	3,770,000	2,735,000	TE ⁽³⁾ -Fixed
Series 2015B	December 19, 2014	6,500,000	5,385,000	TE ⁽⁴⁾ -Fixed
Series 2016A	April 28, 2016	16,975,000	16,590,000	TE ⁽⁴⁾ -Fixed
Series 2016B	April 28, 2016	4,460,000	4,295,000	TE ⁽⁴⁾ -Fixed
Series 2016C	February 26, 2016	<u>570,000</u>	<u>290,000</u>	TX ⁽⁴⁾ -Fixed
		\$108,575,000	\$84,565,000	

⁽¹⁾ Consisting of private placements except for the Capital Improvement Revenue Bonds, Series 2016A and 2016B. 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 April 1, 2018.

⁽³⁾ Tax-Exempt.

⁽⁴⁾ Taxable.

⁽⁵⁾ To be refunded through issuance of the Series 2018B Bonds.

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 Series 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 Series 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 Series 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 Series 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.

The Series 2016A Bonds were issued in the amount of \$16,975,000 to finance certain streetscape and other improvements to the Governmental Unit's "Miracle Mile." The Series 2016A Bonds are publicly offered bonds at fixed rates ranging from 3.00% to 5.00%, with a final maturity of April 1, 2037. The Series 2016A Bonds are also secured by a pledge of special assessments on property benefitted by the Miracle Mile project.

The Series 2016B Bonds were issued in the amount of \$4,460,000 to finance certain streetscape and other improvements to Giralda Avenue within the Governmental Unit. The Series 2016B Bonds are publicly offered bonds at fixed rates ranging from 3.00% to 5.00%, with a final maturity of April 1, 2037. The Series 2016B Bonds are also secured by a pledge of special assessments on property benefitted by the Giralda Avenue project.

The Series 2016C Bond was issued on February 26, 2016 in the amount of \$570,000, to finance additional improvements associated with the Miracle Mile project. The Series 2016C Bond is a privately-placed taxable bank loan at a fixed rate of 2.00% with a final maturity of April 1, 2019.

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 Loan Agreements, some of which include the right to accelerate payment of such indebtedness upon the occurrence of a payment default thereunder. The Governmental Unit does not at this point have outstanding indebtedness secured by a specific pledge of any Non-Ad Valorem Revenues.

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 September 30, 2017, the most recent valuation date, the fiduciary net position as a percentage of total pension liability of the Pension Plan was 65.17%.

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Debt Service Schedule

Set forth below is a schedule showing estimated debt service on the Governmental Unit's Non-Ad Valorem indebtedness after issuance of the Series 2018 Bonds:

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

Bond Year Ending October 1	2011B Bond	2011C Bond	2013A Bond	2013B Bond	2014 Bond	2015B Bond	Series 2016A Bonds	Series 2016B Bonds	Series 2016C Bonds	Series 2018A Bonds	Series 2018B Bonds	Total Scheduled Debt Service
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TOTAL

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, 2015, September 30, 2016 and September 30, 2017, as follows:

	For the Audited Period Ended <u>September 30, 2015</u>	For the Audited Period Ended <u>September 30, 2016</u>	For the Audited Period Ended <u>September 30, 2017</u>
Non Ad Valorem Revenues Available to satisfy amounts payable under Loan Agreements or other debt service payable	\$75,868,359	\$74,876,579	\$74,515,051
Maximum Annual Debt Service on all Non-Ad Valorem Debt Outstanding ⁽¹⁾	8,004,140	9,121,135	9,353,976
200% of Debt Service	16,008,280	18,242,270	18,707,952
Excess of Non Ad Valorem Revenues over 200% of Debt Service	59,860,079	56,634,309	55,807,099

⁽¹⁾ Information presented for the period ended is based on the information from the audited financial statements. If the Series 2018 Bonds are taken into account, the excess of Non Ad Valorem Revenues over 200% of Debt Service for Fiscal Year 2017 would be \$_____.

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 Loan Agreements.

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 Loan Agreements. 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 2018 Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2018 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 Loan Agreements. 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 2014</u>	<u>Audited 2015</u>	<u>Audited 2016</u>	<u>Audited 2017</u>
General	Other Taxes	\$18,712,598	\$18,894,565	\$18,283,356	\$18,414,022
	Licenses	3,318,725	3,255,125	3,496,840	3,365,902
	Permits	8,160,391	8,783,434	9,007,729	9,019,702
	Fines & Forfeitures	2,587,073	2,494,796	2,552,563	2,329,161
	Intergovernmental	5,106,504	5,496,714	5,329,086	5,424,046
	Charges for Services	19,214,525	20,169,601	19,393,779	19,176,388
	Recreation Activity Fees	4,211,548	4,377,394	4,575,172	4,520,645
	Rental Income	4,701,308	4,849,290	5,833,825	4,961,998
	Interest Earned	267,330	453,322	443,236	748,546
	Special Assessment	-	-	-	-
	Contributions and Donations	60,045	58,292	70,500	78,750
	Miscellaneous	283,054	254,373	390,552	266,609
	Capital Projects	Other Taxes	2,908,745	3,077,874	2,941,042
Intergovernmental		852,823	594,793	502,924	1,066,853
Charges for Services ⁽¹⁾		-	-	-	-
Rental Income		23,563	37,513	29,032	27,421
Special Assessments		188,987	2,817,753	1,631,837	255,455
Interest Earned		191,113	244,756	354,203	331,431
Contributions and Donations		125,000	-	-	2,500
Miscellaneous		1,512	-	-	1,300,000
Special Revenue	Intergovernmental	-	-	-	-
Debt Service	Special Assessment	2,050	177	33,719	15,837
	Interest Earned	6,556	8,587	7,184	8,356
	Miscellaneous	-	-	-	-
TOTAL:		<u>\$70,923,450</u>	<u>\$75,868,359</u>	<u>\$74,876,579</u>	<u>\$74,515,051</u>

Source: City of Coral Gables, Florida

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

<u>Sources of Revenues</u>	<u>Audited 2014</u>	<u>Audited 2015</u>	<u>Audited 2016</u>	<u>Audited 2017</u>
Revenues:				
Taxes	\$86,878,667	\$90,080,274	\$92,671,539	\$97,639,779
Licenses	3,318,725	3,255,125	3,496,840	3,365,902
Permits	8,160,391	8,783,434	9,007,729	9,019,702
Fines and Forfeitures	2,587,073	2,494,796	2,552,563	2,329,161
Intergovernmental	5,959,327	6,091,507	5,832,010	6,490,899
Charges for Services	19,214,525	20,169,601	19,393,779	19,176,388
Recreation Activity Fees	4,211,548	4,377,394	4,575,172	4,520,645
Rental Income	4,724,871	4,886,803	5,862,857	4,989,419
Special Assessments	191,037	2,817,930	1,665,556	271,292
Investment Earnings	464,999	706,665	804,623	1,088,333
Contributions and Donations	185,045	58,292	70,500	81,250
Miscellaneous	<u>284,566</u>	<u>254,373</u>	<u>390,552</u>	<u>1,566,609</u>
Total Revenues	\$136,180,774	\$143,976,194	\$146,323,720	\$150,539,379
Expenditures:				
Current:				
General Government	17,853,021	19,608,296	21,719,236	22,063,409
Public Safety	70,604,331	72,413,164	75,551,003	82,937,666
Physical Environment	16,542,033	17,096,014	18,974,253	19,743,343
Transportation	4,544,357	6,938,914	6,540,889	5,795,129
Economic Environment	851,438	821,259	947,119	1,248,157
Culture and Recreation	8,848,478	9,554,012	12,220,223	15,529,205
Debt Service:				
Retirement and Principal	3,217,640	3,352,135	3,781,442	3,776,945
Interest and Other Charges	1,487,807	1,516,080	1,803,435	2,179,370
Bond Issuance Cost	-	-	-	-
Capital Outlay	<u>2,810,907</u>	<u>14,984,777</u>	<u>24,633,460</u>	<u>22,038,809</u>
Total Expenditures	\$126,760,012	\$146,284,651	\$166,171,060	\$175,312,033
Excess (deficiency) of Revenues Over Expenditures)	9,420,762	(2,308,457)	(19,847,340)	(24,772,654)
Other Financing Sources (Uses):				
Special Revenue Bond issued	-	6,500,000	22,005,000	-
Premium on Special Revenue Bonds	-	-	1,788,626	-
Sale of Capital Assets	-	3,900,000	-	-
Proceeds from Capital Leases	284,022	-	-	261,580
Refunding Bond Issues	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	-
Transfers In	15,989,837	33,321,551	24,565,217	22,067,901
Transfers Out	<u>(8,617,552)</u>	<u>(24,333,604)</u>	<u>(16,666,592)</u>	<u>(11,715,220)</u>
Other Financing Sources (Uses)	\$7,656,307	\$19,387,947	\$31,692,251	\$10,614,261
Net Change in Fund Balance	\$17,077,069	\$17,079,490	\$11,844,911	\$(14,158,393)
Fund Balance – Beginning	\$86,089,540	\$103,166,609	\$120,246,099	\$132,091,010
Fund Balance – Ending	\$103,166,609	\$120,246,099	\$132,091,010	\$117,932,617

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 Loan Agreements.

While the tables above are not intended to represent revenues of the Governmental Unit which would necessarily be available to pay Loan Repayments under the Loan Agreements, 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 Loan Agreements taking into account competing general governmental expenditures or other restrictions. The ability of the Governmental Unit to appropriate Non-Ad Valorem Revenues in sufficient amounts to pay amounts due under the Loan Agreements 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 Loan Agreements. For further information regarding Non-Ad Valorem Revenues of the Governmental Unit, reference is made to APPENDIX A and 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 Loan Agreements.

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.

Limited Remedies Under the Indenture and Loan Agreements

The remedies available to owners of the Series 2018 Bonds upon the occurrence and continuance of an Event of Default under the Indenture and Loan Agreements are limited to the seeking of specific performance or a writ of mandamus or other suit, action or proceeding compelling and requiring the Issuer and the Governmental Unit and their respective officers to observe and perform any covenant, condition or obligation prescribed in the Indenture and Loan Agreements, respectively. Acceleration is not a permitted remedy in connection with the Series 2018 Bonds, but could be on other Governmental Unit indebtedness secured by a covenant to budget and appropriate Non-Ad Valorem Revenues. The remedies available under the Indenture and the Loan Agreements depend in many respects upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law, such remedies may not be readily available. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) are subject, in part, to the provisions of the United States Bankruptcy Code and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2018 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Bankruptcy Risks

Both the Issuer and the Governmental Unit are authorized to file for bankruptcy under Chapter 9 of the United States Bankruptcy Code under certain circumstances. Should either the Issuer or the Governmental Unit file for bankruptcy, there could be adverse effects on the holders of the Series 2018 Bonds.

Since the covenant to budget and appropriate Non-Ad Valorem Revenues contained in the Loan Agreements does not create a lien on any specific revenue source, Non-Ad Valorem Revenues collected after the commencement of a bankruptcy case by the Governmental Unit would likely not be available to pay amounts due under the Loan Agreements.

If the Issuer or the Governmental Unit is in bankruptcy, the parties (including the Trustee and the holders of the Series 2018 Bonds) may be prohibited from taking any action to collect any amount from the Issuer or the Governmental Unit or to enforce any obligation of the Issuer or the Governmental Unit, unless the permission of the bankruptcy court is obtained. These

restrictions may also prevent the Trustee from making payments to the holders of the Series 2018 Bonds from funds in the Trustee's possession.

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 2018 Bonds in order for interest on the Series 2018 Bonds to be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2018 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2018 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 2018 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 Loan Agreements to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2018 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2018 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2018 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Series 2018 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018.

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 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should be aware that the ownership of the Series 2018 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 2018 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 2018 Bonds; (iii) the inclusion of interest on the Series 2018 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 2018 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 2018 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 2018 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 2018 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 2018 Bonds should consult their tax advisors as to the tax consequences to them of owning the Series 2018 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 2018 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 2018 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 2018 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 2018 Bonds.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2018A Bonds maturing in the years ____ through and including ____ and Series 2018B Bonds maturing in the years ____ 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 underwriters 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 2018A Bonds in the years _____ through and including _____ and Series 2018B Bonds in the years _____ through and including _____ (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 underwriters 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.

RATINGS

The Issuer has received a rating of "_____" (stable outlook) by Standard & Poor's Rating Services with respect to the Series 2018 Bonds. In addition, Moody's Investors Service ("Moody's") has provided a credit assessment to the Issuer as of November 30, 2017, of the Governmental Unit's Non-Ad Valorem Revenues of ["Aa1"]. **Moody's has not rated the Series 2018 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 2018 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

The Comprehensive Annual Financial Report of the Issuer for the Fiscal Year ended September 30, 2017 is included herein as APPENDIX C and is an integral part of this Official Statement. The Governmental Unit's Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2017 is included herein as APPENDIX D and are an integral part of this Official Statement. RSM US LLP, independent auditor to the Governmental Unit, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RSM US LLP also has not performed any procedures relating to 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 2018 Bonds or questioning or affecting the validity of the Series 2018 Bonds or the Loan Agreements 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 2018 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 2018 Bonds. The Financial Advisor has assisted the Issuer and the Governmental Unit in the preparation of this Official Statement and has advised the Issuer and the Governmental Unit as to other matters relating to the planning, structuring and issuance of the Series 2018 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

_____ (the "Underwriter") has agreed to purchase the Series 2018 Bonds from the Issuer at a price of \$_____ (which includes [net] original issue [premium/discount] of \$_____ and Underwriter's discount of \$_____), and to reoffer the Series 2018 Bonds at the prices shown on the inside cover hereof. If obligated to purchase any of the Series 2018 Bonds, the Underwriter will be obligated to purchase all of the Series 2018 Bonds. The initial public offering prices may be changed from time to time by the Underwriter.

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2018 Bonds. Depending upon prevailing market conditions, including the financial condition or market positions of firms which may make the secondary market, evaluation of the Governmental Unit's capabilities and the financial condition and results of its operations, there may not be a secondary market for the Series 2018 Bonds from time to time, and investors in the Series 2018 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 Issuer or the Governmental Unit, 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 Issuer or the Governmental Unit.

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 2018 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"), certain continuing disclosure information as set forth in the form of Continuing Disclosure Certificate set forth in APPENDIX F attached hereto.

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 2018 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 2018 Bonds to the MSIR certain financial information as set forth in the form of Continuing Disclosure Certificate attached hereto in APPENDIX G.

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 2018 Bonds, and will disseminate information provided by the Governmental Unit and offer advice to the Governmental Unit in that regard.

LEGAL MATTERS

The Series 2018 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 2018 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. The fees payable to Bond Counsel and Disclosure Counsel are contingent upon the issuance and delivery of the Series 2018 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 2018 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 2018 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: _____
Executive Director

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.

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Government

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

Mayor	Raul Valdes-Fauli
Vice Mayor	Patricia Keon
Commissioner	Vince Lago
Commissioner	Michael Mana
Commissioner	Frank C. Quesada

The primary appointed City officials are:

City Manager	Cathy Swanson-Rivenbark
City Attorney	Miriam Soler Ramos, Esq.
City Clerk	Walter 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, and the Internal Revenue Code.

The following is a brief description of the Plan provided for general information purposes only. Investors should refer to the Plan documents, which may be obtained from the City Clerk, for more complete information. GASB 68, which went into effect for Fiscal Year 2015, significantly changes the standards for accounting and financial reporting for the Plan. The City's last actuarial report regarding the Plan was as of October 1, 2014, and a new one is expected in May 2016.

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 firefighters 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. For employees other than firefighters and police officers who are not included in any bargaining unit for collective bargaining purposes, effective September 30, 2010, the normal retirement benefits for participants other than firefighters, police officers, and excluded employees shall be accrued benefits as of September 30, 2010, plus 2.25% of the average final compensation (highest five year average) multiplied by the total years of credited service with a maximum of 75% 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.

Effective February 28, 2017, the monthly normal retirement benefit was changed to provide an enhanced benefit for the 25th year of credited service equal to the percentage of average final compensation needed to increase the total retirement benefit to 75% of average final compensation. For bargaining unit members who are not eligible for normal retirement as of February 28, 2017 and whose accrued annual benefit as of February 28, 2017 does not exceed \$95,000 per year, the total pension benefit will be capped at \$95,000 per year. This cap will increase to \$96,900 effective September 30, 2019.

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.

Deferred Retirement Option Plan – Members who continue employment with the City and pass their normal retirement date may freeze their accrued benefit and enter the Deferred Retirement Option Plan (the "DROP"). Maximum participation in the DROP shall be 5 years for general and police members and 8 years for firefighter members.

For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the member's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced receipt of pension benefits.

DROP payments contributed to a member's DROP account earn interest at a rate equal to actual rate of return on the Plan's portfolio from a minimum of 3% to a maximum of the assumed rate of return.

Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them and they also begin to receive their monthly retirement benefit. The value of the DROP accounts of all participants at September 30, 2017 was \$33,835,492.

Effective February 28, 2017, the maximum DROP period is 84 months for members in DROP or entering DROP on or after February 28, 2017 but prior to September 30, 2019, and 60 months for members entering DROP on or after September 30, 2019. For members who enter DROP after September 30, 2012, if DROP entry is delayed more than 6 months past the earliest DROP eligibility date, then the maximum DROP period decreases by one month for each month of delayed DROP entry.

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, cost of living adjustments may be

granted only if the Plan remains in a net positive experience position, determined on a cumulative basis from 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. Effective September 30, 2014, all police officer and firefighter participants are required to contribute 10% of their pensionable earnings to the Plan. 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 are members of the 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. For the fiscal year ended September 30, 2012, Union 769 employees' contribution was determined to be 14.27% and management employees 13.79%. Effective October 1, 2013, the contribution rate for management and union members were 15.00% and 17.00%, respectively, of compensation. Effective October 1, 2014, excluded employees shall contribute in accordance with the cost-sharing provision with the City.

Net Pension Liability of the City – The components of the net pension liability of the City at September 30, 2017 and 2016 were as follows:

September 30,	2017	2016
Total pension liability	\$576,266,752	\$560,402,156
Plan fiduciary net position	(375,542,430)	(342,189,550)
City net pension liability	\$200,724,322	\$218,212,606
Plan fiduciary net position as a percentage of total pension liability	65.17%	61.06%

Actual Contributions – The actual City contributions, for active employees and the Share Plan contributions for the year ended September 30, 2017 amounted to \$26,364,969 and was determined by the October 1, 2015 actuarial valuation. For the fiscal year ended September 30, 2017, the actual amount of covered payroll was approximately \$40,097,000.

Actuarially Determined Contributions – The contributions required from the City of Coral Gables and the State for the fiscal year ended September 30, 2017, were actuarially determined by the October 1, 2015 valuation report to be \$23,082,353.

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, 2017, the Plan determined to use the "fixed dollar contribution amount".

Net Pension Liability based on GASB 68

The components of the net pension liability of the City at September 30, 2017 were as follows:

	Amount
Total pension liability	\$561,721,500
Plan fiduciary net position	(342,189,550)
Total net pension liability	\$219,531,950
Plan fiduciary net position as a percentage of the total pension liability	60.92%

Actuarial Assumptions

The total pension liability in the September 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal, Level Percent of Pay
Inflation	2.50%
Salary Increases	3.25% - 7.75%, depending on age, including inflation.
Investment rate of return	7.75%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to 2015 using Scale AA.

Mortality rates calculated with the RP-2000 mortality table for males and females with mortality improvement projected to 2015 using scale AA.

The actuarial assumptions used in the September 30, 2016 valuation were based on the results of an actuarial experience study for the six year period ending September 30, 2014.

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.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target allocation as of the valuation date of September 30, 2014 are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return*
	Minimum	Maximum	
Domestic equities	35%	45%	7.5%
International equities	15%	25%	8.5%
Domestic bonds	10%	20%	2.5%
International bonds	0%	10%	3.5%
Real estate	5%	15%	4.5%
Alternative	0%	15%	6.24%

*Real rate of return adjusted for annual inflation rate of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. This single discount rate was based on the expected rate of return on pension plan investment of 7.75%. The projection of cash flows used to determine the discount rate assumed that plan employee contributions will be made at the current contribution rate and that contributions from the City will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee rate. Based on these 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 September 3, 2016 and rolled forward to September 30, 2017:

	City's Net Pension Liability		
	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75% higher)
September 30, 2017	\$270,946,957	\$219,531,950	\$175,775,315

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, 2017, the Plan membership consisted of 254 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, 2017 were \$551,460, representing 4.2% of total covered payroll of police officers participating in the Plan of \$13,189,527.

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, 2017, there are 126 active plan members and 1,060 participating shares in the Plan.

The City contributions for the fiscal year were \$829,798, representing 5.7% of total covered payroll of firefighters participating in the plan of \$14,494,499. In addition, the Plan received from the State of Florida supplemental contributions of \$1,642.

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, 2017

ASSETS

Cash and Cash Equivalents	\$884,483
Due from Other Governments	1,642
Investments at Fair Value:	
Guaranteed Investment Contract	8,874,678
Mutual Funds	<u>5,930,519</u>
Total Assets	<u>\$15,691,322</u>

LIABILITIES

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

Restricted for Employees' Retirement Systems	<u>\$15,639,051</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, 2017

ADDITIONS

Contributions:

Employer	\$831,440
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Investment Income:

Appreciation in the Fair Value of Investments	1,012,429
Investment Earnings	278,578
Total Investment Income	1,291,007
Less Investment Expense	(27,731)
Net Investment Income	1,263,276
Total	\$2,094,716

DEDUCTIONS

Employee Benefits	2,689,005
Change in Net Position	(594,289)
Net Position – Beginning	16,233,340
Net Position – Ending	\$15,639,051

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 \$1,904,121 for the fiscal year ended September 30, 2017, toward which the City made an implied contribution which amounted to \$647,471. At September 30, 2017, the City recognized a net OPEB obligation of \$10,362,050 for governmental activities and \$252,357 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 \$244,935 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)	\$1,904,121
Interest on Net OPEB Obligation	372,779
Adjustment to ARC	<u>(334,476)</u>
Annual OPEB Cost (Expense)	1,942,424
Employer Contribution	<u>(647,471)</u>
Increase in Net OPEB Obligation	1,294,953
Net OPEB Obligation – beginning of year	<u>9,319,454</u>
Net OPEB Obligation – ending of year	\$10,614,407

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
2017	\$1,942,424	33.33%	\$10,614,407
2016	\$1,884,959	38.89%	\$9,319,454
2015	\$1,814,397	37.44%	\$8,167,583

Funded Status and Funding Progress – As of September 30, 2017, 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	\$24,737,702	\$24,737,702	0.00%	\$54,887,335	45.1%

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, 2017
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll, Open
Amortization period	30 years
Actuarial assumptions:	
Assumed rate of return on investments	4.00%
Assumed rates of salary increase*	3.25% - 7.25%
Assumed payroll growth*	3.75% per year
Initial trend rate	7.00%
Ultimate trend rate	4.30%
Inflation rate	2.5%

*Includes inflation rate

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Population

CITY OF CORAL GABLES AND THE STATE OF FLORIDA Population Trends 2005-2017

<u>Year</u>	<u>City of Coral Gables</u>	<u>Average Annual Percentage Increase</u>	<u>State of Florida</u>	<u>Average Annual Percentage Increase</u>
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
2015	51,227	3.22	20,271,272	1.90
2016	51,117	0.21	19,934,451	1.66
2017	50,815	0.59	20,984,400	5.26

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 acute care hospitals with approximately 635 beds within its city limits, and one rehabilitation hospital with 223 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.

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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 September 30, 2017

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total City Taxable Value \$14,389,132,612</u>
Merrick Park LLC	\$140,897,500	1	0.98%
LG Coral Gables LLC	85,647,921	2	0.60
Banyan ST GAP Douglas Ent Own LLC	85,000,000	3	0.59
DGE Alhambra LP	80,969,455	4	0.56
Prisa Ponce de Leon, LLC	73,961,893	5	0.51
PRII 355 Alhambra Circle LLC	67,300,000	6	0.47
Coral Gables Associates	57,129,991	7	0.40
Ponte Gadea Gables LLC	57,110,000	8	0.40
The Collection Properties LLC	55,842,974	9	0.39
396 Alhambra LLC	<u>52,747,493</u>	10	<u>0.37</u>
Totals	\$756,607,227		5.26%

Property assessed on January 1, 2016 for 2016-17 tax levy.

Source: City of Coral Gables Comprehensive Annual Financial Report for Fiscal year ending September 30, 2017.

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**Labor Force Summary
Annual Average**

<u>Year</u>	<u>Miami-Dade County</u>				<u>State of Florida</u>			
	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>% Rate</u>	<u>Labor Force (000)</u>	<u>Employment (000)</u>	<u>Unemployment (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
2015	1,317,274	1,239,377	77,897	5.9	9,630	9,104	525	5.5
2016	1,333,801	1,262,998	70,803	5.3	9,846	9,373	473	4.8
2017	1,384,224	1,317,493	66,731	4.8	10,100	9,681	419	4.2

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**

<u>Fiscal Year Ended</u>	<u>Total Tax Levy</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
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
2015	69,863,911	68,107,835	97.49	-	68,107,835	97.49
2016	74,646,549	71,447,141	95.71	-	71,447,141	95.71
2017	78,679,726	75,984,395	96.57	39,933	76,024,328	96.63

Source: City of Coral Gables Comprehensive Annual Financial Report for the Fiscal Year ending September 30, 2017.

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

Fiscal Year <u>Ended</u>	Assessed Value		Total Assessed Value*	Total Direct Tax Rate
	<u>Real Property</u>	<u>Personal Property</u>		
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
2015	12,563,996,934	291,419,796	12,855,416,730	5.589
2016	13,395,162,364	297,441,249	13,692,603,613	5.559
2017	14,091,791,819	297,340,793	14,389,132,612	5.559

Source: Miami-Dade County Property Appraiser.

* Final tax roll values from the Department of Property Appraisal, except for 2012-2015 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 Taxes	Franchise Taxes	Utilities Services Taxes	Other Taxes	Total Taxes
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
2015	68,108	6,908	11,986	3,078	90,080
2016	71,447	6,860	11,423	3,103	92,833
2017	76,024	7,013	11,401	3,201	97,639

**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				
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
2015	5.589	0.000	5.589	5.900	7.974	0.4187	19.8826
2016	5.559	0.000	5.559	5.900	7.612	0.3896	19.4615
2017	5.559	0.000	5.559	5.3509	7.322	0.3627	18.5946

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

APPENDIX C

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF
THE ISSUER FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

APPENDIX D

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF CORAL
GABLES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

The Financial Statements for the Fiscal Year ended September 30, 2017 included in this Official Statement as part of the Comprehensive Annual Financial Report included as APPENDIX "D" have been audited by RSM US LLP, independent auditors, as stated in their report dated _____.

APPENDIX E

FORM OF GOVERNMENTAL UNIT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Coral Gables, Florida (the "Governmental Unit") in connection with the issuance of \$_____ aggregate principal amount of Sunshine State Governmental Financing Commission Capital Improvement Revenue Bonds, Series 2018A (Coral Gables Program) and \$_____ aggregate principal amount of Sunshine State Governmental Financing Commission Capital Improvement Revenue Refunding Bonds, Series 2018B (Coral Gables Program) (collectively, the "Series 2018 Bonds") and loan of such Bond proceeds to the Governmental Unit (the "Loan"). The Series 2018 Bonds are being issued pursuant to a Trust Indenture dated as of May 1, 2018, between the Issuer and U.S. Bank National Association, as Trustee (the "Indenture").

The Governmental Unit covenants and agrees as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Governmental Unit for the benefit of the Issuer and the Beneficial Owners of the Series 2018 Bonds.

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

"2018A Loan Agreement" shall mean the Loan Agreement executed between the Issuer and the Governmental Unit, dated as of May 1, 2018, with respect to the Series 2018A Bonds.

"2018B Loan Agreement" shall mean the Loan Agreement executed between the Issuer and the Governmental Unit, dated as of May 1, 2018, with respect to the Series 2018B Bonds.

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

"Dissemination and Disclosure Agent" shall mean the Sunshine State Governmental Financing Commission (the "Issuer") or other qualified entity or person appointed by the Governmental Unit for purposes of complying with the provisions of Rule 15c2-12 of the Securities and Exchange Commission and the covenants of this Disclosure Certificate.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

SECTION 3. PROVISIONS OF ANNUAL REPORTS.

(a) The Governmental Unit or its Dissemination and Disclosure Agent shall, not later than May 1st of each year, commencing May 1, 2018, provide or cause to be provided for the benefit of the Beneficial Owners (the "Beneficial Owners") of the Series 2018 Bonds to the MSRB in an electronic format prescribed by the MSRB and such other municipal securities information repository as may be required by law or applicable legislation, from time to time (each such information repository, a "MSIR") and the Issuer an Annual Report, which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Governmental Unit may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date and unaudited financial statements are submitted. If the Governmental Unit's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If the Governmental Unit is unable to cause an Annual Report to be provided to the Issuer and each MSIR, in the appropriate format by law or applicable regulation, by the date required in subsection (a), the Governmental Unit shall send a notice to the Issuer in substantially the form attached as Exhibit A, and cause the same to be posted with the MSRB.

(c) The Issuer shall acknowledge the receipt of the Governmental Unit's submission.

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

(a) The audited financial statements of the Governmental Unit 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 Governmental Unit's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) An update of the Anti-Dilution Certificate provided in Exhibit E of the Loan Agreements, including the tabular information and any supporting data attached or referenced by the Anti-Dilution Certificate.

(c) An update of the tabular financial information provided in Exhibit B attached hereto and made a part of this Disclosure Certificate.

The information provided under Sections 4(b) and 4(c) may be included by specific reference to other documents, including the official statements of debt issues of the Governmental Unit or related public entities. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Governmental Unit shall clearly identify each such other document so included by reference.

The information in Sections 4(a), 4(b) and 4(c) will be made available, in addition to each MSIR, to each Beneficial Owner of the Series 2018 Bonds who requests such information in writing.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS. Pursuant to the provisions of this Section 5, the Governmental Unit shall give, or cause to be given, to the Issuer and each MSIR in the appropriate format required by law or applicable regulation, in a timely manner not in excess of ten business day after the occurrence of the event, notice of the occurrence of any of the following events, with respect to the Loan and the Series 2018 Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit facility providers, or their failure to perform;
- (vi) 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 Loan, or other material events affecting the tax status of the Loan;
- (vii) modifications to rights of holders of the Series 2018 Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of any property securing repayment of the Series 2018 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar events 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).

- (xiii) 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;
- (xiv) the appointment of a successor or additional trustee or the change of name of the trustee, if material; and
- (xv) in a timely manner, notice of failure to provide annual financial information before the date(s) specified in Section 3 hereof.

SECTION 6. TERMINATION OF REPORTING OBLIGATION; ADDITIONAL MATTERS.

(a) The Governmental Unit's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2018 Bonds. If such termination occurs prior to the final maturity of the Series 2018 Bonds, the Governmental Unit shall give notice of such termination in the same manner as for a Listed Event under Section 5.

(b) The Governmental Unit reserves the right to terminate its obligations to provide the Annual Report and notices of the occurrence of the events specified in Section 5 above if and when the Governmental Unit no longer remains an "obligated person" with respect to the Series 2018 Bonds within the meaning of the Rule.

(c) The Governmental Unit agrees that its undertaking pursuant to the Rule set forth in this Disclosure Certificate is intended to be for the benefit of the Beneficial Owners and shall be enforceable by the 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, however, that any 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 obligation

under this Disclosure Certificate in a federal or state court located within Miami-Dade County, 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 2018___ Bonds and Series ___ Bonds or the Loan.

(d) Notwithstanding the foregoing, each MSIR to which information shall be provided shall include each MSIR approved by the Securities and Exchange Commission prior to the issuance of the Series 2018 Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Series 2018 Bonds, the Governmental Unit shall, if the Governmental Unit is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide information to any new MSIR whose status as a MSIR is unknown to the Governmental Unit, shall not constitute a breach of this covenant.

(e) The requirements of Section 4 above do not necessitate the preparation of any separate annual report addressing only the Series 2018 Bonds. The requirements of Section 4 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 May 1 of each year for the preceding year.

(f) The Governmental Unit reserves 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 agrees that any such modification will be done in a manner consistent with the Rule and Section 7 hereof.

SECTION 7. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Governmental Unit may amend this Disclosure Certificate with the consent of the Issuer, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Governmental Unit, or the type of business conducted; and

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2018 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and does not materially impair the interests of the Beneficial Owners, as determined by disclosure counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations.

This Disclosure Certificate may also be amended if all or any part of the Rule, as

interpreted by the staff of the Securities and Exchange Commission at the date of the Loan Agreements, ceases to be in effect for any reason, and the Governmental Unit elects that the Disclosure Certificate shall be deemed amended accordingly.

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

SECTION 8. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Governmental Unit from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the Governmental Unit chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Governmental Unit shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. DEFAULT. In the event of a failure of the Governmental Unit to comply with any provision of this Disclosure Certificate, the Issuer or the Beneficial Owner of the Series 2018 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Governmental Unit to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Governmental Unit to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture or the Loan Agreements.

SECTION 10. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Governmental Unit, the Beneficial Owners of the Series 2018 Bonds and the Issuer, and shall create no rights in any other person or entity; provided, however, that nothing contained herein shall prevent the Issuer from furnishing to the rating agencies, or other interested parties, a copy of each document, instrument and statement received by the Issuer or any MSIR from the Governmental Unit pursuant to this Disclosure Certificate.

[Signature Page to Governmental Unit's Continuing Disclosure Certificate]

Date: May ____, 2018

CITY OF CORAL GABLES

AUTHORIZED REPRESENTATIVE

By: _____

Name: _____

Title: _____

EXHIBIT A

TO CONTINUING DISCLOSURE CERTIFICATE

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Sunshine State Governmental Financing Commission.

Name of Issue: Capital Improvement Revenue Bonds (Coral Gables Program), Series 2018A and Capital Improvement Revenue Refunding Bonds (Coral Gables Program), Series 2018B

Date of Issuance: May ____, 2018

Name of
Governmental Unit: City of Coral Gables, Florida

NOTICE IS HEREBY GIVEN that the Governmental Unit has not provided an Annual Report with respect to the above named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate dated May ____, 2018. The Governmental Unit anticipates that the Annual Report will be filed by _____.

Dated:

CITY OF CORAL GABLES, FLORIDA

By: _____

Name: _____

Title: _____

EXHIBIT B

TO CONTINUING DISCLOSURE CERTIFICATE

- Historical Legally Available Non-Ad Valorem Revenues
- City of Coral Gables Historical Revenues and Expenditures
- Breakdown of Special Assessments Imposed and Collected (if any)

APPENDIX F

FORM OF ISSUER'S CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Sunshine State Governmental Financing Commission (the "Issuer") in connection with the issuance of its \$_____ aggregate principal amount of Sunshine State Governmental Financing Commission Capital Improvement Revenue Bonds, Series 2018A (Coral Gables Program) and \$_____ aggregate principal amount of Sunshine State Governmental Financing Commission Capital Improvement Revenue Refunding Bonds, Series 2018B (Coral Gables Program) (collectively, the "Series 2018 Bonds"). The Series 2018 Bonds are being issued pursuant to a Trust Indenture dated as of May 1, 2018 between the Issuer and U.S. Bank National Association, as trustee (the "Indenture"). The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2018 Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12 pursuant to the Securities Exchange Act of 1934 (the "Rule").

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

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

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 Bonds (including persons holding Series 2018 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2018 Bonds for federal income tax purposes.

"Borrower" shall mean the City of Coral Gables, Florida.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

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

"Loan" shall mean the loan made to the Borrower from proceeds of the Series 2018

Bonds.

"MSIR" shall mean the MSRB and such other municipal securities information repository as may be designated by law or applicable legislation, from time to time.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Issuer's Official Statement for the Series 2018 Bonds dated April ___, 2018.

"Participating Underwriter" shall mean the original underwriters of the Series 2018 Bonds required to comply with the Rule in connection with offering of the Series 2018 Bonds.

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

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than June 1 of the year following the Issuer's fiscal year (presently ends September 30), commencing with the report for the fiscal year ending September 30, 2016, provide for the benefit of the Beneficial Owners of the Series 2018 Bonds to the MSRB in an electronic format prescribed by the MSRB and to any other MSIR an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date and unaudited financial statements are submitted. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to cause an Annual Report to be provided by the date required in subsection (a), the Issuer shall, or shall cause the Dissemination Agent to, in the appropriate format required by law or applicable regulation, send a notice to the MSRB and each MSIR in substantially the form attached as Exhibit A, and cause the same to be posted with the MSRB.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the MSIRs to which

it was provided.

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

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

(b) An update of the information which the Borrower has separately undertaken to provide by each May 1 pursuant to a Continuing Disclosure Certificate dated of even date herewith.

The information provided under Section 4(b) may be included by specific reference to other documents, including official statements of debt issues of the Issuer (or the Borrower) or related public entities, which have been submitted to the MSRB and each other MSIR. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, 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 with respect to the Series 2018 Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit facility providers, or their failure to perform;
- (vi) 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 2018 Bonds, or other material events affecting the tax status of the Series 2018 Bonds;

- (vii) modifications to rights of holders of the Series 2018 Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of any property securing repayment of the Series 2018 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar events of the Issuer (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer 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 Issuer, 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 Issuer);
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (xv) in a timely manner, notice of failure to provide annual financial information before the date(s) specified in Section 3 hereof.

SECTION 6. TERMINATION OF REPORTING OBLIGATION; ADDITIONAL MATTERS. (a) The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2018 Bonds. If such termination occurs prior to the final maturity of the Series 2018 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

(a) The Issuer reserves the right to terminate its obligations to provide the Annual Report and notices of the occurrence of the events specified in Section 5 above if and when the Issuer no longer remains an "obligated person" with respect to the Series 2018 Bonds within the meaning of the Rule.

(b) The Issuer agrees that its undertaking pursuant to the Rule set forth in this Disclosure Certificate is intended to be for the benefit of the Beneficial Owners and shall be enforceable by the 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, however, that any 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 obligation under this Disclosure Certificate in a federal or state court located within Miami-Dade County, and any failure by the Issuer to comply with the provisions of this undertaking shall not be a default with respect to the Series 2018 Bonds or the Loan.

(c) Notwithstanding the foregoing, each MSIR to which information shall be provided shall include each MSIR approved by the Securities and Exchange Commission prior to the issuance of the Series 2018 Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Series 2018 Bonds, the Issuer shall, if the Issuer is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide information to any new MSIR whose status as a MSIR is unknown to the Issuer, shall not constitute a breach of this covenant.

(d) The requirements of Section 4 above do not necessitate the preparation of any separate annual report addressing only the Series 2018 Bonds.

(e) The Issuer reserves 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 agrees that any such modification will be done in a manner consistent with the Rule and Section 8 hereof.

SECTION 7. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 8. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of disclosure counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2018 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and does not materially impair the interests of the Beneficial Owners, as determined by disclosure counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations;

This Disclosure Certificate may also be amended if all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of the Loan Agreements, ceases to be in effect for any reason, and the Issuer elects that the Disclosure Certificate shall be deemed amended accordingly.

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

SECTION 9. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. DEFAULT. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, the Beneficial Owners of the Series 2018 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture or the Loan Agreements.

SECTION 11. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2018 Bonds, and shall create no rights in any other person or entity; provided, however, that nothing contained herein shall prevent the Issuer from furnishing to the rating agencies, or other interested parties, a copy of each document, instrument and statement pursuant to this Disclosure Certificate.

Date: May ____, 2018

(SEAL)

SUNSHINE STATE GOVERNMENTAL
FINANCING COMMISSION

By: _____

Name: Diana Gomez

Title: Chair

ATTESTED:

By: _____

Name: Frank P. Hinton

Title: Secretary/Treasurer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Sunshine State Governmental Financing Commission

Name of Bond Issue: Capital Improvement Revenue Bonds, Series 2018A (Coral Gables Program) and Capital Improvement Revenue Refunding Bonds, Series 2018B (Coral Gables Program)

Date of Issuance: May ____, 2018

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4(b) of the Continuing Disclosure Certificate dated May ____, 2018. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

SUNSHINE STATE GOVERNMENTAL
FINANCING COMMISSION

By: _____
Name: _____
Title: _____