

IN THE CIRCUIT COURT OF THE 17TH
JUDICIAL CIRCUIT IN AND FOR
BROWARD COUNTY, FLORIDA

CASE NO. 11 28737 (08)

HOLLYWOOD BEACH COMMUNITY
DEVELOPMENT DISTRICT I, a local unit of
special-purpose government organized and existing
under the laws of the State of Florida,

Plaintiff,

v.

THE STATE OF FLORIDA AND ALL THE
TAXPAYERS, PROPERTY OWNERS AND
CITIZENS OF HOLLYWOOD BEACH
COMMUNITY DEVELOPMENT DISTRICT I,
INCLUDING NON-RESIDENTS OWNING
PROPERTY OR SUBJECT TO TAXATION
THEREIN AND ANY OTHERS HAVING OR
CLAIMING ANY RIGHT, TITLE OR INTEREST
IN PROPERTY TO BE AFFECTED BY THE
ISSUANCE OF THE BONDS HEREIN
DESCRIBED OR TO BE AFFECTED IN ANY
WAY THEREBY,

Defendants.

FILED FOR RECORDS
CLERK OF CIRCUIT COURT
BROWARD COUNTY, FLORIDA

2012 FEB 28 PM 3:46

CIRCUIT CLERK

FINAL JUDGMENT

This cause came to be heard at a public hearing at the Circuit Court, in the Broward County Courthouse, in Fort Lauderdale, Broward County, Florida, upon the Complaint for Validation (the "Complaint") filed by the Hollywood Beach Community Development District I (the "District"), a local unit of special-purpose government created pursuant to the laws of the State of Florida. The Complaint for Validation seeks the validation of Hollywood Beach Community Development

District I Special Assessment Revenue Bonds in the aggregate principal amount of not to exceed \$37,000,000, to be issued in one or more series (hereinafter, the "Bonds"), and of related proceedings, pursuant to a Notice and Order to Show Cause heretofore issued by this Court requiring the Defendants to show at said time and place why said Bonds and the proceedings of the District in connection with or essential to the issuance of said Bonds should not be validated as was prayed for in these proceedings. The Court, having heard and determined all of the questions of fact and of law in this cause, makes the following Findings of Fact:

(a) Copies of the Notice and Order to Show Cause heretofore issued by this Court in this cause were duly served upon the State Attorney for this Circuit as is required by law. Said Notice and Order to Show Cause was published as is required by law. The Acknowledgement of Service of the Notice and Order to Show Cause was attached as Exhibit A-1 of the Joint Stipulation filed and received into evidence in this case and the proof of publication of said Notice and Order to Show Cause was attached to the Joint Stipulation as Exhibit C.

(b) The State Attorney for this Circuit has filed an Answer. No one except said State Attorney and the District, as Plaintiff, has made any appearance or filed any pleading or paper of any kind whatever in this matter.

(c) All of the material allegations in said Complaint for Validation are true and correct, and the issuance by the District of the Bonds has been duly authorized.

(d) Plaintiff is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"). Plaintiff was duly created pursuant to the Act and validly established by Ordinance O-2011-21 (the "Ordinance"), duly enacted and effective on June 1, 2011, by the City Commission of the City of Hollywood, Florida (the "City"), upon a lawful petition. A

copy of the Ordinance and copies of the meeting minutes of the City Commission meetings in which the Ordinance was considered by the City were submitted as Exhibit B-1 and Exhibit T, respectively, to the Joint Stipulation that was filed and received into evidence in this case.

(e) The City Commission of the City adopted Resolution R-2011-132 on June 1, 2011, consenting to the District's the right and power of eminent domain within and beyond the boundaries of the District, pursuant to Section 190.011(11), Florida Statutes. A copy of the City Resolution as well as the meeting minutes of the City Commission in which the City Resolution was considered were submitted as Exhibit B-2 and Exhibit T, respectively, to the Joint Stipulation that was filed and received into evidence in this case.

(f) Pursuant to Section 190.0485, Florida Statutes, a Notice of Establishment was recorded in the Public Records of Broward County, Florida, at Official Records Book 47993, Page 974 (the "Notice of Establishment"). A copy of the Notice of Establishment was submitted as Exhibit D to the Joint Stipulation that was filed and received into evidence in this case.

(g) The governing body of the District consists of a Board of Supervisors (the "District Board" or "Board"), which is comprised of five (5) members. The seated members of the Board were duly and validly appointed or elected in conformity with the applicable law, and have at all times possessed the lawful authority to act as set forth herein. Copies of the Oaths of Office subscribed to each member of the Board were submitted as Exhibit E to the Joint Stipulation that was filed and received into evidence in this case.

(h) The District, which consists of approximately 5.13 acres of land located entirely within the municipal boundaries of the City, in Broward County (the "County"), Florida, as more particularly described in the Ordinance, was created for the purpose of delivering certain community development services, facilities, and infrastructure, as permitted by the Act. Pursuant to the Act, the

District Board has decided to undertake the financing, funding, planning, establishment, acquisition, construction or reconstruction, enlarging or extending, or equipping of certain public infrastructure improvements and facilities benefiting certain lands within the District, as defined in the Complaint, and consisting of the public portion of a parking garage facility, related improvements and incidental costs (collectively, the "Project"), all as more specifically described in the Engineer's Report, a copy of which was attached to the Joint Stipulation as Exhibit H, and which Engineer's Report has been accepted by the governing body of the District.

(i) The City lawfully exists as a Florida municipal corporation and has leased certain lands within the boundaries of the District to Margaritaville Hollywood Beach Resort, LLC, a Florida limited liability company (the "Developer"), under a Development Agreement and Ground Lease, dated February 9, 2011 (the "Ground Lease") authorized pursuant to City Resolution R-2011-014, adopted by the City Commission on January 19, 2011, copies of which are attached to the Joint Stipulation as Exhibit P.

i. In connection with the development of the lands within the boundaries of the District, the City entered into the Ground Lease, providing for an initial term of 99 years.

ii. Prior to the issuance of the Bonds, the Trustee and the City will enter into a guaranty agreement (the "Guaranty"), whereby the City will, in consideration for the District's issuance of the Bonds, guarantee payment to the Trustee in the event of a shortfall in the Pledged Revenues and a draw on the Reserve Fund established pursuant to the Indenture as security for payment of the debt service on the Bonds of amounts sufficient to restore the balance of moneys in the Reserve Fund to the Reserve Fund Requirement, as such terms are defined in the Indenture, subject to certain conditions and limitations. The form of

the Guaranty has been approved by the City and a copy of the approved Guaranty is attached to the Joint Stipulation as Exhibit R.

iii. The City, in accordance with its Home Rule powers (Fla.Const.Art.V, sec. 2(b)), possesses the power and authority to enter into the Guaranty, the Ground Lease, the Interlocal Agreement, as later defined herein, and amendments thereto.

iv. All proceedings relating to the City's decision to enter into the Ground Lease, the Interlocal Agreement, and the Guaranty and the granting of special powers of eminent domain to the District, have been undertaken in accordance with applicable law, and said instruments have been considered and approved by the governing body of the City at public meetings, advertised in accordance with the rules and regulations of the City and applicable law. See Exhibit P, Exhibit Q, Exhibit R, and Exhibit T to the Joint Stipulation admitted and received into evidence in this cause.

v. Along with the Guaranty, the Interlocal Agreement, and the Special Assessments, the Ground Lease, and in particular *Exhibit K* to the Ground Lease, are essential for the issuance of the Bonds and are essential to the validation proceedings and the development of the Project. *Exhibit K* to the Ground Lease requires that the Bonds, the Special Assessments, the Interlocal Agreement, the Ground Lease, and the Guaranty, and the legality thereof, be validated pursuant to and in accordance with Chapter 75, Florida Statutes.

(j) The City is not a "landowner" as that term is defined in Section 190.003(14), Florida Statutes, as the "landowner" for purposes of that statute includes the owner of a ground lease from a governmental entity having a remaining term, excluding all renewal options, in excess of 50 years. Therefore, in this case, the Developer is considered the "landowner" for purposes of Chapter 190, Florida Statutes, as the Ground Lease with the City has a term of 99 years.

(k) The District has the responsibility for financing, owning, operating, and maintaining the Project pursuant to an Interlocal Agreement between the City and the District, dated August 29, 2011, and recorded at Official Records Book 48149, Page 1344 of the public records of Broward County, Florida (the "Interlocal Agreement"), which Interlocal Agreement was approved by the City Commission of the City on June 1, 2011 under Resolution R-2011-133, copies of such supporting evidence being attached to the Joint Stipulation as Exhibit Q and Exhibit T.

(l) Pursuant to the Act, the District Board adopted Resolution No. 2012-01 authorizing the issuance of the Bonds in an aggregate principal amount not to exceed \$37,000,000 to finance all or a portion of the costs of the planning, establishment, acquisition, construction or reconstruction, enlarging or extending, and equipping of the Project (the "Bond Resolution"). A certified copy of the Bond Resolution, including the form of the Indenture, as described in the paragraph that follows, was submitted and accepted into evidence as Exhibit J to the Joint Stipulation.

(m) The Bond Resolution appoints The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds ("Trustee"). The Bond Resolution further authorizes and approves the execution and entering into a Master Trust Indenture and Supplemental Trust Indenture between the District and Trustee (collectively, the "Indenture"). The form of the Indenture authorized and approved under the Bond Resolution was attached as an exhibit to the Bond Resolution. The Trustee is bonded to the extent required by the laws of the State of Florida, has the power to accept and administer the trust created by the Indenture and shall certify to the proper expenditure of the proceeds of the Bonds to be issued under the Indenture, and is in all ways acceptable to the Court. The Certificate of Trustee was attached to the Joint Stipulation as Exhibit S.

(n) The Bond Resolution provides that the Bonds will be issued pursuant to the Indenture as fully registered bonds in one or more series, will be denominated in the principal amount(s) set

forth therein, will be dated, will be payable in not more than the maximum number of annual installments allowed by law, excluding any capitalized interest period, subject to the right of prior optional, mandatory and extraordinary redemption, if any, on the dates and in the principal amount(s) as set forth in the Indenture, shall be secured and payable from the Pledged Revenues (as defined in the Indenture) and shall bear interest at one or more rate(s) of interest with an annual net interest rate cost not exceeding the maximum rate permitted by Florida law at the time of issuance.

(o) The final details of the sale and issuance of the Bonds or a given series of Bonds will be approved in conformity with the Bond Resolution and the Indenture by subsequent proceedings of the District Board of Supervisors and in compliance with applicable provisions of the Ground Lease and in particular, *Exhibit K* to the Ground Lease.

(p) Section 190.016(1) of the Act authorizes the District to sell its Bonds pursuant to a public or private sale and the Bond Resolution provides that the Bonds may be sold by the District at public or private sale, as set forth in a resolution of the District Board adopted prior to the sale of the Bonds; provided, however, that the Bonds shall not be sold at a price of less than ninety percent (90%) of the par value thereof, together with accrued interest thereon, unless otherwise permitted by the Act.

(q) The Bonds will be executed by the Chairman or other authorized member of the District Board and attested by an official of the District designated for such purpose, and the District Board is authorized to cause the signatures of said Chairman or other authorized member of the District Board and of said attesting official to be printed by facsimile signature on the Bonds, so that the only manual signature thereon will be the authenticating signature of the Trustee or its duly designated agent, all in accordance with Section 116.34 and Section 279.06, Florida Statutes.

(r) Prior to the issuance and delivery of the Bonds, the District shall have undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of assessment hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect special assessments upon Benefited Lands (subject to assessment and as described in the Assessment Methodology Report attached to the Joint Stipulation as Exhibit I), within the District, including, without limitation, special assessments levied on the leasehold interests created by the Ground Lease (the "Special Assessments"), all as more specifically required and provided for by the Act and Chapters 170 and 190, and Sections 196.199(8) and 197.432(10), Florida Statutes, as the same may be amended from time to time, or any successor statutes thereto.

(s) Pursuant to the Indenture and the Special Assessment proceedings, the District covenants to levy and collect, or cause to be collected, the Special Assessments, including without limitation, Special Assessments levied on the leasehold interests created by the Ground Lease, and to irrevocably pledge the Pledged Revenues in an amount sufficient to pay the debt service on the Bonds, with any collected net public parking revenues and other revenues realized subsequent to completion of the Project.

(t) The Pledged Revenues, as defined in the Indenture, to be derived from the Special Assessments levied by the District and collected in each year, including, without limitation, those Special Assessments levied on the leasehold interests created by the Ground Lease, together with certain investment earnings on certain funds and accounts established under the Indenture, are expected to be sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds to be issued. Said principal, redemption premium, if any, and interest will be secured by a

first lien upon and pledge of the Pledged Revenues, as set forth in the Indenture, including, without limitation the Special Assessments, as described herein and in the Indenture.

(u) All proceedings relating to the District's decision to undertake the Project and to levy the Special Assessments, including, without limitation, Special Assessments levied on leasehold interests created by the Ground Lease, have been properly noticed, held and undertaken as required by applicable law. Specifically, this Court finds and determines that:

i. The District duly adopted Resolution No. 2012-02, as amended by Resolution 2012-05, confirming its decision to undertake the Project and to levy Special Assessments to defray the costs thereof. Copies of Resolution Nos. 2012-02 and 2012-05 were attached to the Joint Stipulation as Exhibit K and Exhibit L-2, respectively. Said resolutions, including the reports of the District Engineer incorporated therein, set forth the findings required by Section 170.03, Florida Statutes, and provided, in compliance with Section 170.04, Florida Statutes, that an assessment plat showing the Benefited Lands to be assessed, along with plans and specifications and an estimate of the cost of the proposed improvements, was and are on file with the District and open to the inspection of the public;

ii. Resolution No. 2012-02 was published twice in a newspaper of general circulation within the City and County in which the District is located in compliance with Section 170.05, Florida Statutes. A copy of the proof of publication of Resolution 2012-02 was attached to the Joint Stipulation as Exhibit M; and

iii. A preliminary assessment roll showing the Benefited Lands, including the leasehold interests created by the Ground Lease, within the District to be assessed; the amount of the special and peculiar benefit to the Benefited Lands; the reasonably and fairly apportioned Special Assessments against lots and parcels of land, or leasehold interests; and

the installments into which the Special Assessments are to be divided was prepared in compliance with Section 170.06, Florida Statutes.

iv. On December 6, 2011, a public hearing was held by the District Board at which time landowners of property or leasehold interests to be assessed or any other person interested therein were able to appear before the District Board and be heard as to the propriety and advisability of making the improvements included within the Project, the cost thereof, the manner of payment therefor, the special benefit to the Benefited Lands to be assessed and the amount to be reasonably and fairly apportioned to, and assessed against, each property so improved. Resolution No. 2012-03, as amended by Resolution No. 2012-05, of the District established the date of such public hearing and required that notice thereof be given in accordance with requirements of Chapters 170 and 190, Florida Statutes, and such public hearing was held, and all required notices were given, in compliance with Section 170.07, Florida Statutes, and other applicable provisions of law. Copies of Resolution Nos. 2012-03 and 2012-05 were attached to the Joint Stipulation as Exhibit L-1 and Exhibit L-2, respectively, and documentation evidencing compliance with the notice requirements was attached to the Joint Stipulation as Exhibit N-1 and Exhibit N-2; and

v. Following such public hearing on December 6, 2011, the District Board acted as an equalizing board for the purpose of hearing and considering any and all complaints as to the Special Assessments, adjusting, equalizing and fairly and reasonably apportioning the Special Assessments, including, without limitation, Special Assessments levied on the leasehold interests created by the Ground Lease, on the basis of ascertained special and peculiar benefit to the Benefited Lands, by justice and right, provided for the filing of a final assessment roll with the District Board reflecting any equalized Special Assessments and

declared the Special Assessments to be legal, valid and binding first liens against the Benefited Lands, including the leasehold interests created by the Ground Lease, as the case may be, until paid. Thereafter, the District Board duly adopted Resolution No. 2012-06 of the District making its final determination to levy the Special Assessments to provide financing for the Project in the amounts to be determined in accordance with the Assessment Methodology Report, which may be amended or supplemented, being attached to such resolution and to the Joint Stipulation as Exhibit I, which Assessment Methodology Report has been accepted by the governing body of the District. A copy of Resolution No. 2012-06 was attached to the Joint Stipulation as Exhibit O. The Benefited Lands, as referenced in the Complaint, are more particularly described in Sections 2.1 through 2.3 and 3.0 of the Assessment Methodology Report.

(v) The District has acted in accordance with the law in all respects and particulars, and when issued and sold, the Bonds will be valid and binding special obligations of the District, secured by a pledge of and payable from the Pledged Revenues, including, without limitation, net public parking garage revenues, Special Assessments levied by the District against the leasehold interests created by the Ground Lease and those interests provided for in the Guaranty, all as described herein and in the Indenture.

(w) The Bond Resolution provides, and the Bonds will provide, that the Bonds are special obligations of the District, and shall not constitute a debt, liability or general obligation of the District, the City, the County, or the State of Florida, or any other political subdivision thereof, but shall be payable solely from the Pledged Revenues designated for the Bonds, as set forth in the Indenture, including without limitation the Special Assessments levied by the District against the leasehold interests created by the Ground Lease and as described herein and in the Indenture, the

public parking garage net revenues, and other revenues; and neither the full faith and credit nor the taxing power of the District, the City, the County, or the State of Florida or any other political subdivision thereof, is pledged to payment of the principal of, redemption premium, if any, or interest on the Bonds, except for the District's obligation to levy and collect Special Assessments.

From the foregoing facts, the Court makes the following Conclusions of Law:

1. This Court has jurisdiction to hear this cause and to render a decision herein, including all of the foregoing Findings of Fact and the following Conclusions of Law, and is fully authorized by law to validate the Bonds, the Project, and all of the proceedings therefore, as well as all matters as set forth herein. Pursuant to Section 190.016(12) of the Act, bonds of the District maturing over a period of more than five (5) years must be presented for validation and confirmation by this Court, under the provisions of Chapter 75, Florida Statutes, and laws amendatory thereof and supplementary thereto. This Court is authorized by Chapter 75, Florida Statutes, to validate the Bonds and all matters connected therewith, and as a matter of law under Section 190.016(12), the District retains the authority to issue bonded debt maturing within a period of five (5) years or less without need of validation.

2. The Act is a valid statute of the State of Florida; and the Act constitutes sufficient and valid authority for the issuance of the Bonds in the aggregate principal amount described herein for the purposes stated, which purposes are permitted by and in furtherance of the Act.

3. The Ordinance creating the District was validly enacted; the District has been validly established and lawfully exists as a community development district under the terms of the Act and the Ordinance and as an independent special district within the meaning of Chapter 189, Florida Statutes.

4. The District has the special right and power of eminent domain within and beyond the boundaries of the District pursuant to Section 190.011(11), Florida Statutes.

5. The Complaint filed in this proceeding fully complies with all of the provisions and requirements of Chapters 75 and 190, Florida Statutes, and laws amendatory thereof and supplementary thereto, and in conjunction with the evidence of record, is sufficient to authorize the validation of the Bonds, all matters connected therewith, and all of the proceedings therefor, including without limitation the Bond Resolution and the authorization and approval of the Indenture, and all of the provisions thereof, as well as the Special Assessments, the Ground Lease, the Interlocal Agreement, the form of Guaranty, and such other instruments essential to the issuance of the Bonds and as set forth as part of the Joint Stipulation submitted to this Court.

6. The District Board has determined that it is necessary and proper for the health, safety and economic welfare of the District and of its landowners that the Project be planned, financed and refinanced, funded, acquired, constructed, reconstructed, equipped or installed by the District. The District has the power under Section 190.012 of the Act to plan, finance, fund, acquire, construct, reconstruct, equip, install, own, operate, maintain and provide, in one or more stages, the Project, or any portions of the systems, facilities and improvements comprising the Project or reasonably necessary for the Project, for the use and benefit of the existing and future landowners in the District, as well as residents of and visitors to the City, as set forth in this Final Judgment, which use and benefit is a lawful and valid public purpose.

7. The City, in entering into and approving the establishment of the District, the Ground Lease, Interlocal Agreement, the Guaranty, and other documents related to the development within the boundaries of the District, has determined that the public parking garage portion of the Project will provide needed parking benefitting the general public.

8. The members of the District Board have been duly and validly appointed or elected as such in compliance with the requirements of the Constitution and laws of the State of Florida and the decisions of the courts with respect thereto and of the Act and the Ordinance and have possessed the lawful authority to act in connection with approving the Project, issuing Bonds, and levying Special Assessments, including, without limitation, Special Assessments levied on leasehold interests created by the Ground Lease.

9. The District has the power, specifically pursuant to Sections 190.011(9), 190.012, 190.016(1), 190.016(2), 190.016(13), 190.017, 190.021, and 190.023 of the Act, to issue, without the approval of the qualified electors of the District, the Bonds and has properly approved the issuance of the Bonds for a lawful public purpose. The District is further empowered and authorized to incur indebtedness and to issue the Bonds, in one or more series, at one or more fixed or variable rate(s) of interest, for the purpose of financing all or a portion of the Costs, as defined in the Indenture, of the Project, paying capitalized interest on the Bonds, making certain deposits to the account(s) established under the Indenture and paying costs associated with the issuance of the Bonds.

10. The Bond Resolution has been duly adopted by the District at a duly noticed meeting of the District at which a quorum was present and is a legal, valid and binding resolution of the District.

11. All of the terms and provisions of the Bond Resolution and the Indenture attached thereto are in accordance with law and are fully authorized by the Constitution and laws of the State of Florida, and are in all respects validated.

12. The intended uses for the proceeds of the Bonds, namely, the financing and refinancing of the Project, are valid public purposes.

13. The District has the power and authority to levy non-ad valorem Special Assessments, including, without limitation, special assessments levied on the leasehold interests created by the Ground Lease described herein, pursuant to the Act (including without limitation Sections 190.011(14), 190.021, 190.022, and 190.023 of the Act), Section 196.199, Florida Statutes, Chapter 170, Florida Statutes, Chapter 197, Florida Statutes, and other applicable law, in an amount sufficient to pay the debt service on the Bonds each year and has the power and authority to collect and enforce said Special Assessments, including, without limitation, Special Assessments levied on leasehold interests created by the Ground Lease, as provided for and in accordance with the statutes and law referenced above, as well as Section 196.199(8) and 197.432(10), Florida Statutes; has the power and authority to pledge such Special Assessments and the Pledged Revenues, including, without limitation, revenues associated with the public parking facility, to secure the Bonds; and has exercised all such power and authority legally, validly, and properly, and for a lawful purpose as set forth in the Complaint, such that they are validly pledged for payment of the Bonds.

14. The Special Assessments, including, without limitation Special Assessments levied on leasehold interests created by the Ground Lease, are to be levied on Benefited Lands by the District in accordance with the assessment methodology duly adopted by the District Board and set forth in the Assessment Methodology Report, as supplemented or amended, a copy of which was attached to the Joint Stipulation as Exhibit I, and such assessment methodology is fair and reasonable in its allocation of the costs of the Project and the Bonds to the lands and leasehold interests created by the Ground Lease, and specially benefited by the Project.

15. The lands and leasehold interests upon which the Special Assessments will be levied specially benefit from the Project.

16. The Special Assessments, including, without limitation, Special Assessments levied on the leasehold interest created by the Ground Lease, are valid and, while they shall not become a lien on the property itself pursuant to Section 196.199(8), Florida Statutes, shall constitute a debt due and shall be recoverable by legal action or by issuance of tax executions that shall become liens upon any other property in any county of this state of the taxpayer who owes said tax.

17. The Special Assessments, including, without limitation, Special Assessments levied on leasehold interests created by the Ground Lease, shall be lawfully subject to collection and enforcement pursuant to Chapters 170, 190, and 197, and Sections 196.199(8) and 197.432(10), Florida Statutes.

18. The Bank of New York Mellon Trust Company, N.A., is a financial institution qualified under the applicable law to perform the function of trustee as set forth under the Indenture, and has been duly authorized by the Bond Resolution, and is in all respects acceptable and validated as Trustee.

19. The District has duly authorized the Indenture such that, upon execution thereof by the District and the Trustee, the Pledged Revenues will be validly pledged to payment of the Bonds. The Indenture shall constitute a legal, valid and binding obligation of the District, enforceable in accordance with its terms.

20. All District proceedings held in connection with the issuance of the Bonds, the levying of Special Assessments, the authorization of the Indenture and the lien and pledge to be established thereunder, the undertaking of the Project, entering into an Interlocal Agreement with the City, and the levying and imposition of the Special Assessments, including, without limitation, Special Assessments levied on the leasehold interests created by the Ground Lease, are valid, legal and binding and in conformity with law.

21. All City proceedings held in connection with the approval of the Ground Lease, the Interlocal Agreement, the Guaranty, consenting to the exercise of the special powers of eminent domain by the District, and all other matters essential to the issuance of the Bonds are valid, legal and binding and in conformity with law.

22. Upon the execution of the Guaranty by the parties thereto, the Guaranty will be a valid and binding obligation of the City.

23. Upon due issuance of the Bonds in conformance with the Bond Resolution and the Indenture, the Bonds will constitute valid and binding limited obligations of the District and will be enforceable by their terms as established by the Bond Resolution and the Indenture.

24. The Bonds shall be limited obligations of the District, payable solely from the Pledged Revenues, as provided in the Indenture and as required by applicable law, including without limitation the Special Assessments to be levied by the District on the leasehold interests created by the Ground Lease and as described herein and in the Indenture. Neither the property, nor the full faith and credit, nor the taxing power of the District, the City, the County, the State of Florida, or any other political subdivision of thereof is pledged to the payment of the principal of, the redemption premium, if any, or the interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the District, the City, the County, the State of Florida, or any other political subdivision of thereof, to levy any taxes whatsoever therefor or to make any appropriation for their payment except from the Special Assessments to be levied by the District.

25. Section 116.34 and Section 279.06, Florida Statutes, having been enacted pursuant to Chapter 63-441, Laws of Florida 1963 and Chapter 83-271, Laws of Florida 1983, respectively, prevail over any conflicting provision in Section 215.43, enacted by Chapter 57-763, Laws of Florida 1957, with respect to the need for a manual signature of at least one official of the District Board.

IT IS THEREFORE ORDERED AND ADJUDGED, that the Hollywood Beach Community Development District I Special Assessment Revenue Bonds in the aggregate principal amount not to exceed \$37,000,000, the Special Assessments, including, without limitation, Special Assessments levied on leasehold interests created by the Ground Lease, and the proceedings therefore by the District and the City, as applicable, including, without limitation, the Bond Resolution and the Indenture, the Ground Lease, the Interlocal Agreement, the City Resolution, the Guaranty, and matters connected therewith be and the same hereby are validated and confirmed and hereby declared to be fully authorized by and in compliance with law. Each of the findings of facts and conclusions of law set forth above is hereby expressly made a part of this Final Judgment and of the validation and confirmation of the Bonds.

The Bonds shall be issued as fully registered bonds in one or more series, shall be denominated in the principal amount(s) set forth in the Bond Resolution, shall be dated, shall be payable in not more than the maximum number of annual principal installments allowed by law (currently 30), excluding any capitalized interest period, subject to the right of prior optional, mandatory and extraordinary redemption, if any, on the dates and in the principal amount(s) as set forth in the Indenture, shall be secured and payable from the Pledged Revenues, and shall bear interest at one or more fixed or variable rate(s) of interest not exceeding the maximum rate permitted by Florida law at the time of issuance.

The District may sell the Bonds pursuant to a public or private sale, as set forth in a resolution of the District Board adopted prior to the sale of the Bonds; provided, however, that the Bonds shall not be sold at a price less than ninety percent (90%) of the par value thereof, together with accrued interest thereon, unless otherwise permitted by the Act.

The Bonds shall be substantially in the form set forth in the form of bond incorporated into the Indenture, with such appropriate variations, omissions or insertions as are permitted or required by the Indenture and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. The Bonds shall have stamped or written thereon, a statement by the proper officers of the District, which shall read substantially as follows:

This bond is one of a series of bonds which were validated and confirmed by judgment of the Circuit Court of the Seventeenth Judicial Circuit of Florida, in and for Broward County, Florida, rendered on <date of order below>.

DONE AND ORDERED, in open Court at the Courthouse in Fort Lauderdale, in Broward County, Florida, this 2/28/12 day of February, 2012.


Honorable Dale Ross, Circuit Judge

Copies furnished to:

COUNSEL FOR PLAINTIFFS:

Michael J. Pawelczyk, Esq.

Billing, Cochran, Lyles, Mauro & Ramsey, P.A.

COUNSEL FOR DEFENDANTS:

Kathryn Heaven, Assistant State Attorney

