

**CASH DEFEASANCE OF  
SUMTER COUNTY, FLORIDA  
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS  
SERIES 1998**

**CLOSING DOCUMENTS**

**July 22, 2010**

1. Resolution No. 2010-33 adopted by the Issuer on July 13, 2010
2. Escrow Deposit Agreement
3. Defeasance Verification Report (Exhibit A to the EDA)
4. SLGS Subscription Confirmation
5. Redemption Notice
6. Final Numbers
7. Incumbency Certificate
8. Defeasance Opinion
9. Closing Memorandum

RESOLUTION NO. 2010-33

**A RESOLUTION OF SUMTER COUNTY, FLORIDA, AUTHORIZING NOT EXCEEDING \$2,100,000 OF CASH FUNDS BE APPLIED FOR THE DEFEASANCE OF ITS OUTSTANDING CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 1998; DESIGNATING AN ESCROW AGENT; AUTHORIZING EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT FOR SUCH PURPOSE; AND FOR RELATED PURPOSES.**

**WHEREAS**, Sumter County, Florida (the "County") desires to deposit into escrow certain unrestricted cash funds on hand in an amount not exceeding \$2,100,000 (the "Cash Funds") in order to provide payment in full (in the form of a cash defeasance) of all the County's outstanding Capital Improvement Revenue Refunding Bonds, Series 1998, which were issued by the County on September 3, 1998 (the "1998 Bonds") under a resolution of the County adopted December 14, 1990 (the "Original Resolution"), as amended and supplemented by resolutions of the County adopted on December 14, 1993 and July 28, 1998 (together with the Original Resolution, the "Bond Resolution"); and

**WHEREAS**, this resolution is adopted pursuant to the provisions of the Bond Resolution, Chapters 125, Florida Statutes, as amended, and other applicable provisions of law (the "Act"); and

**WHEREAS**, the Bond Resolution states that the 1998 Bonds are callable in whole on any date, without penalty, after notice to the bondholders; and

**WHEREAS**, Section 17 of the Original Resolution provides that the deposit of Federal Securities in escrow in an amount sufficient to retire the 1998 Bonds shall be considered "provision for payment" such that there is a defeasance of the 1998 Bonds and a release of the lien upon the Pledged Revenues (all as defined in the Original Resolution); and

**WHEREAS**, the County desires to appoint U.S. Bank National Association, Jacksonville, Florida, as escrow agent (the "Escrow Agent") for the cash defeasance of the 1998 Bonds; and

**WHEREAS**, the County desires to authorize the execution and delivery of an Escrow Deposit Agreement, in substantially the form attached hereto as Exhibit "A" (the "Escrow Deposit Agreement") between the County and the Escrow Agent, under which the Cash Funds will be applied for the purchase of Federal Securities held in escrow in the amount sufficient to provide for the defeasance of the 1998 Bonds; and

**WHEREAS**, it is necessary and desirable to apply the Cash Funds for the defeasance of the 1998 Bonds in order to reduce the indebtedness of the County and to preserve and protect the public health, safety, and welfare of the inhabitants of the County,

**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of Sumter County, Florida, pursuant to the Act, as follows:

1. Application of Cash Funds. The County hereby authorizes the application of the Cash Funds for the defeasance of the 1998 Bonds. The Cash Funds are not derived from any borrowing and shall not be replaced by any borrowed funds.
2. Designating an Escrow Agent for the 1998 Bonds. The County hereby designates and approves U.S. Bank National Association, Jacksonville, Florida, as Escrow Agent for the 1998 Bonds.
3. Approving Execution and Delivery of an Escrow Deposit Agreement. The Escrow Deposit Agreement, in substantially the form attached hereto as Exhibit "A", is hereby approved. The Escrow Deposit Agreement, with such changes, alterations and corrections as may be approved by the Chairman or Vice Chairman and County Administrator of the County to accomplish the purposes of this resolution, with such approval to be presumed by his execution thereof, is hereby ratified and approved by the County, and the County hereby authorizes and directs said Chairman or Vice Chairman and County Administrator to execute, and the Clerk or Deputy Clerk of the County to attest under seal of the County, the Escrow Deposit Agreement, and to deliver the same to the Escrow Agent.
4. Bond Counsel. The County hereby ratifies and approves the selection of William L. Zvara, P.A., Jacksonville, Florida, as bond counsel for the County in connection with the defeasance of the 1998 Bonds.
5. Financial Advisor. The County hereby ratifies and approves the selection of Gollahon Financial Services, Inc., St. Petersburg, Florida, as financial advisor for the County in connection with the defeasance of the 1998 Bonds.
6. Verification Agent. The County hereby ratifies and approves the selection of GNP Services, CPA, PA, Orange Park, Florida, as verification agent for the County in connection with the defeasance of the 1998 Bonds.
7. Related Purposes. The Chairman, Vice Chairman, County Administrator, and Clerk of the County are hereby authorized to take any and all further action and execute and deliver any and all other documents and certificates as may be necessary or appropriate to accomplish the defeasance of the 1998 Bonds.
8. Severable, Effective Date. If any one or more of the provisions herein shall be held invalid then such provisions shall be deemed severable from all remaining provisions. This Resolution shall take effect immediately upon its adoption.

Adopted this July 13, 2010.



Attest:

Connie Webb, D.C.  
Clerk of the Circuit Court,  
Ex Officio Clerk to the  
Board of County Commissioners

**SUMTER COUNTY, FLORIDA**

By [Signature]  
Chairman, Board of County Commissioners

## ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT (this "Agreement") made and entered into as of July 22, 2010, by and between the SUMTER COUNTY, FLORIDA (the "Issuer") and U.S. BANK NATIONAL ASSOCIATION, as escrow agent (the "Escrow Agent"):

WITNESSETH:

WHEREAS, the Issuer has heretofore issued and there is now outstanding \$2,055,000 in aggregate principal amount of its Capital Improvement Revenue Refunding Bonds, Series 1998 (the "Refunded Bonds"); and

WHEREAS, the Refunded Bonds (also called, the "Bonds") were issued under a resolution of the Issuer adopted December 14, 1990 (the "Original Resolution"), as amended and supplemented by resolutions of the Issuer adopted on December 14, 1993 and July 28, 1998 (together with the Original Resolution, the "Bond Resolution"); and

WHEREAS, the Issuer is desirous of providing for the defeasance all of the Refunded Bonds such that the Refunded Bonds shall be refunded through the earliest call date of August 16, 2010, as more particularly described in the Defeasance Report by GNP Services, CPA, PA, dated the date hereof and attached hereto as Exhibit "A" including the Exhibits and Schedules attached thereto (herein called the "Verification Report" and "Exhibit A" and the "Schedules"); and

WHEREAS, the Issuer approved the deposit into escrow of certain unrestricted cash funds on hand (the "Cash Funds") which will be applied to the purchase of Federal Securities (as such term is hereinafter defined), which Federal Securities will mature and produce investment income and earnings at such times and in such amounts as will be sufficient, together with other moneys deposited in the trust created herein, held uninvested, to pay when due, at maturity and upon the redemption thereof as provided herein, all of the principal of, redemption premium, and interest on the Refunded Bonds; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in the trust created herein, the maturing principal amount of the Federal Securities purchased therewith, and investment income and earnings derived therefrom to the payment of the Refunded Bonds, it is necessary for the Issuer to enter into this Agreement with the Escrow Agent on behalf of the holders from time to time of the Refunded Bonds;

NOW, THEREFORE, the Issuer, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the principal of, redemption premium, and interest on all of the Refunded Bonds according to their tenor and effect, does by these presents hereby grant, warrant, demise, release, convey, assign, transfer, pledge, set over and confirm, unto the Escrow Agent, and to its successors in the trust hereby created, and to it and its assigns forever, all and singular the property hereinafter described to wit:

### DIVISION I

All right, title and interest of the Issuer in and to \$2,076,029.13 derived from Cash Funds (the "Proceeds") deposited with the Escrow Agent upon execution and delivery of this Agreement.

## DIVISION II

All right, title and interest of the Issuer in and to the Federal Securities purchased from the moneys described in Divisions I hereof and more particularly described in the Schedule entitled "Verification of Total Escrow Security Receipts (Exhibit 3)" of the Schedules and all income derived therefrom or accruing thereto.

## DIVISION III

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred to the Escrow Agent as and for additional security hereunder for the benefit of the Refunded Bonds by the Issuer or by anyone in its behalf to the Escrow Agent, which is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all and singular, the Trust Estate (as such term is hereinafter defined), including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement, unto the Escrow Agent, and its successors and assigns, forever in trust, however, for the benefit and security of the holders from time to time of the Refunded Bonds; but if the Refunded Bonds shall be fully and promptly paid when due, whether at maturity or upon the redemption thereof, in accordance with the terms thereof and hereof, then this Agreement shall be and become void and of no further force and effect (except for Section 3.06 hereof); otherwise the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

## ARTICLE I

### DEFINITIONS

**Section 1.01 Definitions.** In addition to words and terms elsewhere defined in this Agreement or defined in the Bond Resolution, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended.

"Agreement" shall mean this Escrow Deposit Agreement.

"Escrow Agent" shall mean U.S. Bank National Association, or any successor Escrow Agent.

"Escrow Deposit Trust Fund" shall mean the trust fund created and established pursuant to Section 2.01 hereof.

"Escrow Securities" shall mean the Federal Securities listed in the Schedule entitled "Verification of Total Escrow Security Receipts (Exhibit 3)".

"Federal Securities" shall mean Federal Securities as defined in the Bond Resolution, none of which permit redemption prior to maturity at the option of the obligor.

"Issuer" shall mean the Sumter County, Florida, a political subdivision of the State of Florida.

"Refunded Bonds" shall mean all of the outstanding maturities of the Issuer's Capital Improvement Revenue Refunding Bonds, Series 1998, shown in the Schedule entitled "Verification of Debt Service and Call Requirements for the Defeased Bonds (Exhibit 2)".

"Refunded Bonds Paying Agent" shall mean U.S. Bank National Association, as paying agent for the Refunded Bonds.

"Schedules" shall mean the schedules comprising the schedules, which are part of the Verification Report attached hereto as Exhibit A.

"Substituted Securities" shall have the meaning set forth in Section 2.04 hereof.

"Trust Estate", "trust estate" or "pledged property" shall mean the property, rights and interest of the Issuer which are subject to the lien of this Agreement, and described in Divisions I and III, inclusive, of the granting clauses of this Agreement.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

## ARTICLE II

### ESTABLISHMENT OF FUNDS; FLOW OF FUNDS

**Section 2.01 Creation of Escrow Deposit Trust Fund and Deposit of Moneys.** There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the Escrow Deposit Trust Fund (the "Escrow Deposit Trust Fund"), to be held in the custody of the Escrow Agent and accounted for separate and apart from other funds of the Issuer or of the Escrow Agent.

Concurrently with the execution of this Agreement, the Issuer herewith deposits or causes to be deposited with the Escrow Agent and the Escrow Agent acknowledges receipt of immediately available moneys in the amounts described in Divisions I and II of the Trust Estate.

**Section 2.02 Payment of Refunded Bonds.** A. The Escrow Agent shall apply \$2,076,028.00 of the Proceeds to purchase the Escrow Securities listed in the Schedule entitled "Verification of Total Escrow Security Receipts (Exhibit 3)", and shall hold \$1.13 of the Proceeds uninvested as cash.

B. The Issuer represents that the Escrow Securities will mature in principal amounts and earn interest and income at such times, all as described in the Schedule entitled "Verification of Total Escrow Cash Flow and Escrow Yield (Exhibit 4)", so as to provide moneys which, together with the amounts deposited in the Escrow Deposit Trust Fund held as cash, will be sufficient to pay all of the principal of, redemption premium, and interest on the Refunded Bonds when due and payable in accordance with the schedule of payments described in the Schedule entitled "Verification of Total Escrow Security Receipts (Exhibit 3)". Notwithstanding the foregoing, if the amounts deposited in the Escrow Deposit Trust Fund are insufficient to make said payments of principal, redemption premiums and interest, the Issuer shall deposit into the Escrow Deposit Trust Fund the amount of any deficiency immediately upon notice from the Escrow Agent.

**Section 2.03 Irrevocable Trust Created.** The deposit of moneys, the Escrow Securities or other Federal Securities or other permitted investments hereunder in the Escrow Deposit Trust Fund shall constitute an irrevocable deposit of said moneys and Federal Securities for the benefit of the holders of the Refunded Bonds, except as provided herein. The holders of the Refunded Bonds shall have an express lien on all moneys and principal of and earnings on the Escrow Securities or other Federal Securities or other permitted investments hereunder described in the Escrow Deposit Trust Fund until applied in accordance with the Agreement. The moneys deposited in the Escrow Deposit Trust Fund and the matured principal of the Escrow Securities or other Federal Securities or other permitted investments hereunder and the interest thereon shall be held in trust by the Escrow Agent, and shall be transferred in the necessary amounts as hereinafter set forth, to the appropriate Refunded Bonds Paying Agent for the Refunded Bonds, for the payment of the principal of, redemption premium, and interest on the Refunded Bonds as the same become due and payable as more specifically set forth in Exhibits 2.0, 2.1 and 2.2 of the Schedules. To the extent any moneys held uninvested are not insured by the Federal Deposit Insurance Corporation, such moneys shall be fully collateralized by Federal Securities; provided, however, the Escrow Agent shall be under no obligation to collateralize uninvested funds except as directed by the Issuer.

**Section 2.04 Purchase of Escrow Securities.** The Escrow Agent is hereby directed immediately to purchase the Escrow Securities, applying for such purpose the Trust Estate as set forth in Section 2.02 hereof. The Escrow Agent shall purchase the Escrow Securities solely from the moneys deposited in the Escrow Deposit Trust Fund. The Escrow Agent shall apply the moneys deposited in the Escrow Deposit Trust Fund and the Escrow Securities or other Substituted Securities purchased therewith, together with all income or earnings thereon, in accordance with the

provisions hereof. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Escrow Securities or Substituted Securities held hereunder or to sell, transfer or otherwise dispose of the Escrow Securities or Substituted Securities held hereunder except as expressly provided in this Agreement.

If so directed by the Issuer on the date hereof, the Escrow Agent shall accept, in substitution for any of the Escrow Securities, Federal Securities which are not subject to redemption prior to maturity (the "Substituted Securities") and the principal of and the interest on which, together with the principal of and interest on the Escrow Securities for which no substitution is made and moneys held uninvested by the Escrow Agent, will meet the requirements of payment of all principal of, redemption premium, and interest on the Refunded Bonds as provided herein, as shown by the verification report described below.

The substitution of Substituted Securities for Escrow Securities may be effected only if there shall have been provided to the Escrow Agent by the Issuer: a written direction to carry out such substitution and (1) an independent verification by a nationally recognized independent certified public accounting firm concerning the adequacy of the Substituted Securities with respect to principal and the interest and redemption premium thereon and any other moneys or securities held for such purpose to meet the principal and interest when due of the Refunded Bonds as contemplated by the Schedules; and (2) an opinion from nationally recognized bond counsel to the effect that the disposition and substitution or purchase of such securities is permitted hereunder and will not, under the statutes, rules and regulations then in force and applicable to the Refunded Bonds, affect adversely the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds.

**Section 2.05 No Reinvestment of Funds Received.** The Escrow Agent shall not reinvest any portion of the amounts received from the maturing principal of or interest on the Escrow Securities or Substituted Securities, except as provided in Section 2.06 or 2.08 hereof.

**Section 2.06 Substitution of Certain Federal Securities.** Notwithstanding any other provisions of this Agreement, at the written request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the Escrow Securities or other Federal Securities held hereunder and to substitute therefor other Substituted Securities, subject to the condition that such obligations together with the earnings thereon and moneys held uninvested hereunder shall (based on a representation to such effect by the Issuer) be sufficient to pay, when due, the principal of, redemption premium and interest on the Refunded Bonds as the same become due and payable as set forth in Exhibits 2.0, 2.1 and 2.2 of the Schedules. The Escrow Agent shall purchase such Substituted Securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the Federal Securities held hereunder or from other moneys available. The transactions referenced in this Section may be effected only if there shall have been delivered to the Escrow Agent by the Issuer: (1) a verification by a nationally recognized independent certified public accounting firm concerning the adequacy of principal and interest payments on such substituted obligations and any other moneys or securities held for such purpose to meet the principal, redemption premium, and interest when due of the Refunded Bonds in accordance with the Exhibits 2.0, 2.1 and 2.2 of the Schedules; and (2) an opinion from nationally recognized bond counsel to the effect that the disposition and substitution or purchase of such securities will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds.

If securities are substituted pursuant to this Section 2.06, any surplus moneys (as shown in the report of the certified public accountant referred to above) resulting from the sale, transfer, other disposition or redemption of the Federal Securities held hereunder and the substitution therefor of

Substituted Securities, shall be released to the Issuer from the trust fund created and established hereunder and used for any other lawful purpose which, in the opinion of nationally recognized bond counsel, will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds, and, after the release of such funds to the Issuer, the Escrow Agent shall have no further responsibility for such funds.

**Section 2.07 Transfers from Escrow Deposit Trust Fund.** As the principal of the Escrow Securities or Substituted Securities shall mature and be paid, and the investment income and earnings thereon are paid, the Escrow Agent shall, no later than each interest, principal payment and redemption date for the Refunded Bonds, as specified in the Schedules, transfer from the Escrow Deposit Trust Fund to the appropriate Refunded Bonds Paying Agent for the Refunded Bonds amounts sufficient to pay the principal of, redemption premium, and interest on the Refunded Bonds coming due, as specified in the Schedules.

**Section 2.08 Investment of Certain Moneys Remaining in Escrow Deposit Trust Fund.** Subject to the provisions of Sections 2.04, 2.05 and 2.06 hereof, the Escrow Agent shall invest and reinvest, but only at the written direction of the Issuer, in Substituted Securities any moneys remaining from time to time in the Escrow Deposit Trust Fund until such time that they are needed as indicated by the then current verification report. Such moneys shall be reinvested in Substituted Securities specified by the Issuer maturing on such dates and payable at such interest rates as the Escrow Agent shall be directed in writing to invest by the Issuer. Notwithstanding the foregoing, no such investment or reinvestment shall be made unless the periods and interest rates are set forth in an opinion from a nationally recognized bond counsel to the Issuer, which opinion shall also be to the effect that such reinvestment of such moneys will not, under the statutes, rules and regulations then in force and applicable to the Refunded Bonds, affect adversely the exclusion from gross income for federal income tax purposes of interest on such Refunded Bonds, that such investment is not inconsistent with the statutes and regulations applicable to the Refunded Bonds or the terms of the ordinances and resolutions pursuant to which the Refunded Bonds were issued, and contain a verification of the yield on the Bonds in the Escrow Deposit Trust Fund unless such reinvestment is at less than the yield on the Bonds set forth in the Verification Report attached hereto as Exhibit "A". Any interest income resulting from the reinvestment of moneys pursuant to this Section 2.08 and not needed for the payment to the Refunded Bonds as the same become due or payable, whether at maturity or upon the redemption thereof, as more specifically set forth in the Schedules, shall be applied in accordance with Section 2.09 hereof; provided, that any such interest income shall immediately be released to the Issuer from the trust fund created and established hereunder and used for any lawful purpose which, in the opinion of nationally recognized bond counsel, will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds if there shall have been obtained a verification by a nationally recognized independent certified public accounting firm concerning the adequacy of principal and interest payments on the Federal Securities held hereunder (other than such interest income to be released to the Issuer) to meet the principal, redemption premium, and interest when due of the Refunded Bonds in accordance with the Schedules.

**Section 2.09 Transfer of Funds After All Payments Required by this Agreement are Made.** After all of the transfers by the Escrow Agent to the Refunded Bonds Paying Agent for payment of the principal of, redemption premium, and interest on the Refunded Bonds have been made, all remaining moneys and securities, together with any income and interest thereon, in the Escrow Deposit Trust Fund, shall be transferred to the Issuer by the Escrow Agent and shall be applied by the Issuer for any lawful purpose; provided, however, that no such transfer (except transfers made in accordance with Section 2.06 and 2.08 hereof) to the Issuer shall be made until all of the principal of, redemption premium, and interest on the Refunded Bonds have been paid.

**Section 2.10. Notice of Redemption of the Refunded Bonds.** The Issuer hereby irrevocably exercises its option to redeem all the outstanding Refunded Bonds, as shown on the Schedule entitled "Verification of Debt Service and Call Requirements for the Defeased Bonds (Exhibit 2)", on the earliest redemption date of August 16, 2010. The Escrow Agent is hereby irrevocably instructed to deliver to the Refunded Bonds Paying Agent for Refunded Bonds, not later than sixty days prior to the call date, a form of Notice of Redemption with directions for mailing a copy of such Notice of Redemption by first-class mail (postage prepaid) to all Registered Owners of the Refunded Bonds not more than forty-five (45) days and not less than thirty (30) days prior to the date fixed for redemption, all in accordance with the resolutions authorizing the Refunded Bonds. The Issuer hereby waives any and all rights to redeem Refunded Bonds except for the optional redemption provided in this Section 2.10.

## ARTICLE III

### CONCERNING THE ESCROW AGENT

**Section 3.01 Appointment of Escrow Agent.** The Issuer hereby appoints U.S. Bank National Association, Jacksonville, Florida, as Escrow Agent under this Agreement and by execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary, to execute and perform its duties hereunder.

**Section 3.02 Liability of Escrow Agent.** The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the securities and the earnings thereon to pay the Refunded Bonds. So long as the Escrow Agent applies any moneys, securities and the interest earnings therefrom to pay the Refunded Bonds as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations. The Escrow Agent shall have no lien, security interest or right of set-off whatsoever upon any of the moneys or investments in the Escrow Deposit Trust Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

**Section 3.03 Permitted Acts.** The Escrow Agent and its affiliates may become the owner of or may deal in the Refunded Bonds as fully and with the same rights as if it were not the Escrow Agent.

**Section 3.04 Successor Escrow Agent.** The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the trusts hereby created by giving not less than sixty (60) days written notice to the Issuer and, at the expense of the Issuer, publishing notice hereof, specifying the date when such resignation will take effect in a newspaper printed in the English language and of general circulation in the Issuer, such publication to be made at least once not less than sixty (60) days prior to the date when the resignation is to take effect, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the Issuer as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by either the Issuer or the holders of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by the Issuer or by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the Issuer shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the Issuer shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders. The Issuer shall publish notice of any such appointment made by it at the time and in the manner described in the first paragraph of this Section.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made pursuant to the foregoing provisions of this Section within sixty (60) days after written notice of the resignation of the Escrow Agent has been given to the Issuer, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of

competent jurisdiction for the appointment of a successor Escrow Agent and such court may thereupon, after such notice, if any, as it shall deem proper, appoint such successor Escrow Agent. No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any state, and shall be bound by this Agreement and have at the time of appointment capital and surplus of not less than \$25,000,000 or is a member of a bank group or bank holding company with aggregate capital and surplus of not less than \$25,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Issuer, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall be bound by this Agreement and become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Issuer, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it hereunder to its successor; provided, however, that before any such delivery shall be made the fee of the retiring or removed Escrow Agent set forth in Section 3.05 hereof if fully paid in advance shall be pro rata refunded by such Escrow Agent to the Issuer and the Issuer shall reimburse the retiring or removed Escrow Agent for any expenses it has incurred. Such proration shall be computed based upon the time such Escrow Agent served as such compared to the period from the date hereof until the final maturity or redemption of the Refunded Bonds. Should any transfer, assignment or instrument in writing from the Issuer be required by any successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it shall be a party shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**Section 3.05 Payment to Escrow Agent.** The Escrow Agent shall be entitled to a fee in full payment for its services rendered hereunder in the amount evidenced by a separate writing by the parties and payable by the Issuer upon execution and delivery of this Agreement. Payment shall be made from funds legally available to the Issuer and, as set forth in Section 3.02 hereof. The Escrow Agent shall have no claim against any amounts held hereunder in the Escrow Deposit Trust Fund.

**Section 3.06 Indemnification.** To the extent permitted by law, the Issuer shall indemnify and exonerate, save and hold harmless the Escrow Agent from and against any and all claims, demands, expenses (including counsel fees and expenses) and liabilities of any and every nature which the Escrow Agent may sustain or incur or which may be asserted against the Escrow Agent as a result of any action taken or omitted by the Escrow Agent hereunder without bad faith, negligence or willful misconduct. At any time, the Escrow Agent may apply to the Issuer for written instructions with respect to any matter arising under this Agreement and shall be fully protected in acting in accordance with such instructions. In addition, the Escrow Agent may, as reasonably necessary, consult counsel to the Issuer or its own counsel, at the expense of the Issuer, and shall be deemed not to have acted in bad faith with respect to any action taken or omitted in good faith in accordance with such advice or opinion of counsel to the Issuer or its own counsel. The provisions of this Section 3.06 shall survive the termination of this Agreement.

## ARTICLE IV

### MISCELLANEOUS

**Section 4.01 Amendments to this Agreement.** This Agreement is made for the benefit of the Issuer and the holders from time to time of the outstanding Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement; and
- (b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section 4.01. Issuer shall send any proposed amendment to this Agreement at least fifteen days in advance to any rating agency that Issuer has been notified is maintaining a rating on the Refunded Bonds.

**Section 4.02 Severability.** If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severed from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

**Section 4.03 Agreement Binding.** All the covenants, promises and agreements in this Agreement contained by or on behalf of the Issuer or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**Section 4.04 Termination.** Except as provided in Section 3.06 hereof, this Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

**Section 4.05 Execution by Counterparts.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

**Section 4.06 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officers and the corporate seal of the Issuer has been hereunto affixed as of the date first above written.



**SUMTER COUNTY, FLORIDA**  
as Issuer

By: \_\_\_\_\_

Chairman, Board of County  
Commissioners

**U.S. BANK NATIONAL ASSOCIATION**  
as Escrow Agent

By: \_\_\_\_\_

its:

**TERENCE RAWLINS**  
**VICE PRESIDENT**

EXHIBIT A  
VERIFICATION REPORT  
WITH SCHEDULES

**\$4,775,000 Sumter County, Florida  
Capital Improvement Revenue Refunding Bonds  
Series 1998**

**DEFEASANCE REPORT**

**July 22, 2010**

**GNP SERVICES, CPA, PA  
385 STILES AVENUE  
ORANGE PARK, FLORIDA 32073  
(904) 278-8980 PHONE  
(904) 278-4665 FAX  
Linda@gnpcpas.com E-MAIL**

**\$4,775,000 Sumter County, Florida  
Capital Improvement Revenue Refunding Bonds  
Series 1998**

**Exhibits**

Exhibit 1 - Sources and Uses of Funds

Exhibit 2 - Verification of Debt Service and Call Requirements for the Defeased Bonds

Exhibit 3 - Verification of Total Escrow Security Receipt

Exhibit 4 - Verification of Total Escrow Cash Flow and Escrow Yield

GNP SERVICES, CPA, PA  
CERTIFIED PUBLIC ACCOUNTANTS

385 STILES AVENUE  
ORANGE PARK, FLORIDA 32073  
TELEPHONE: 904 278-8980  
FACSIMILE: 904 278-4665

MAILING ADDRESS:  
POST OFFICE BOX 1179  
ORANGE PARK, FLORIDA 32067-1179  
www.gnpcpas.com

July 22, 2010

Sumter County, Florida  
Bushnell, Florida

William L. Zvara, P.A.  
Jacksonville, Florida

Gollahon Financial Services, Inc.  
St. Petersburg, Florida

U.S. Bank National Association  
Jacksonville, Florida

RE: Sumter County, Florida (the "Issuer") \$4,775,000 Capital Improvement Revenue Refunding Bonds, Series 1998 (the "Bonds")

In connection with the proposed defeasance of the remaining outstanding principal amount of the above Bonds on July 22, 2010, with funds provided by the Issuer in the amount of \$2,089,529.13, Gollahon Financial Services, Inc. has provided us with certain schedules they have prepared, including, but not limited to, debt service information and escrow requirements for the defeasance of the outstanding Bonds maturing on and after June 1, 2011 (the "Defeased Bonds").

We have assumed all debt service payments on the Defeased Bonds to be current as of July 22, 2010. We have also assumed that all documentation provided to us by Gollahon Financial Services, Inc. is accurate. This documentation includes the Official Statement for the Defeased Bonds dated July 28, 1998 and the purchase confirmation for the Escrow Security (as hereafter defined). Nothing has come to our attention that has led us to conclude that any of the information included in these documents has been affected by events or circumstances occurring after their respective dates.

We have verified the arithmetical accuracy of certain computations prepared by Gollahon Financial Services, Inc. We have verified the arithmetical accuracy of only those computations specifically described herein. We have not independently verified the existence of any of the sources of funds presented on Exhibit 1.

We determined the following:

1. the principal, interest rates, and maturity dates for the Defeased Bonds used in the schedules prepared by Gollahon Financial Services, Inc. as shown on Exhibit 2 are the same as the information presented in the Official Statement for the Defeased Bonds;

Sumter County, Florida  
William L. Zvara, P.A.  
Gollahon Financial Services, Inc.  
U.S. Bank National Association  
July 22, 2010  
Page 2

2. the type, maturity date, principal, rate, and total cost of the U.S. Treasury Security - State and Local Government Series (the "Escrow Security") to be deposited in the escrow account for the Defeased Bonds (the "Defeasance Escrow") used in the schedules prepared by Gollahon Financial Services, Inc. as shown on Exhibit 3 are the same as reported on the Escrow Security purchase confirmation provided to us by U.S. Bank National Association;
3. the subscribed interest rate of the Escrow Security to be purchased and placed in the Defeasance Escrow is less than or equal to the maximum allowable rate for the maturity date of the Escrow Security as published in the Department of the Treasury, Bureau of the Public Debt Form PD 4262 for July 15, 2010, the date for which the initial subscription for the SLGS was submitted to the Department of the Treasury, Bureau of the Public Debt; and
4. the arbitrage yield on the Bonds is 4.865000% (the "Arbitrage Yield") as presented on IRS Form 8038-G.

In our opinion, the computations prepared by Gollahon Financial Services, Inc. are arithmetically accurate and indicate that:

1. the yield on the Escrow Security (the "Escrow Yield") is 0.000000% as shown on Exhibit 4, which is less than the Arbitrage Yield; and
2. the receipt from the Escrow Security to be deposited in the Defeasance Escrow for the Defeased Bonds and an initial cash deposit of \$1.13 will provide amounts at least equal to the amounts necessary to pay the principal and interest on August 16, 2010 of the Defeased Bonds.

We have determined that the computation of the yield on the Escrow Security followed an actuarial method whereby that yield which has been calculated is the yield which when used in computing the present value of all principal and interest to be received on the Escrow Security, using semiannual compounding on the basis of a 360-day year consisting of twelve thirty-day months, produces an amount equal to the total cost of the Escrow Security as determined in accordance with Section 148 of the Internal Revenue Code of 1986, as amended.

Because the aforementioned computations are based on assumptions and estimates, the achievement of which is dependent upon future events and transactions, we do not express an opinion on the attainability of the assumptions or the resultant projections included in the accompanying schedules. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We are an independent certified public accounting firm licensed to perform all services described herein, and we carry errors and omissions insurance.

*W. L. Zvara, P.A., P.A.*

**Sumter County, Florida**  
**\$4,775,000 Capital Improvement Revenue**  
**Refunding Bonds, Series 1998**

**Exhibit 1 - Sources and Uses of Funds**

<b>SOURCES (*)</b>	<b>Total</b>
Cash contribution from Issuer	\$ 2,089,529.13
Total Sources	\$ 2,089,529.13
<b>USES (*)</b>	
Refunding Escrow Deposits:	
Cash Deposit	\$ 1.13
SLGS Escrow Cost	2,076,028.00
Delivery Date Expenses:	
Costs of Issuance	13,500.00
Total Uses	\$ 2,089,529.13

\* We have not independently verified the existence of any of the sources of funds presented on this Exhibit 1, nor have we verified that the actual uses of funds are consistent with the expected uses of funds presented on this Exhibit 1.

**Sumter County, Florida**  
**\$4,775,000 Capital Improvement Revenue**  
**Refunding Bonds, Series 1998**

**Exhibit 2 - Verification of Debt Service and Call Requirements for the Defeased Bonds**

<b>MATURITY DATE</b>	<b>PRINCIPAL</b>	<b>INTEREST RATE</b>	<b>INTEREST TO MATURITY</b>	<b>TOTAL DEBT SERVICE TO MATURITY</b>	<b>REDEEMED PRINCIPAL</b>	<b>DEFEASED INTEREST</b>	<b>DEFEASED DEBT SERVICE</b>
22-Jul-10	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
16-Aug-10					2,055,000.00	21,028.13	2,076,028.13
01-Dec-10			50,467.50	50,467.50			
01-Jun-11	305,000.00	4.750%	50,467.50	355,467.50			
01-Dec-11			43,223.75	43,223.75			
01-Jun-12	320,000.00	4.800%	43,223.75	363,223.75			
01-Dec-12			35,543.75	35,543.75			
01-Jun-13	330,000.00	4.875%	35,543.75	365,543.75			
01-Dec-13			27,500.00	27,500.00			
01-Jun-14	350,000.00	5.000%	27,500.00	377,500.00			
01-Dec-14			18,750.00	18,750.00			
01-Jun-15	365,000.00	5.000%	18,750.00	383,750.00			
01-Dec-15			9,625.00	9,625.00			
01-Jun-16	385,000.00	5.000%	9,625.00	394,625.00			
GNP Services, CPA, PA	2,055,000.00		370,220.00	2,425,220.00	2,055,000.00	21,028.13	2,076,028.13
Gollahon Financial Services, Inc.	2,055,000.00		370,220.00	2,425,220.00	2,055,000.00	21,028.13	2,076,028.13
Difference	0.00		0.00	0.00	0.00	0.00	0.00

**Sumter County, Florida**  
**\$4,775,000 Capital Improvement Revenue**  
**Refunding Bonds, Series 1998**

**Exhibit 3 - Verification of Total Escrow Security Receipt**

TYPE	1
	SLGS Certificate
MATURITY DATE	16-Aug-10
PRINCIPAL	2,076,028.00
RATE	0.0000
TOTAL COST	2,076,028.00

<u>DATE</u>		Totals
22-Jul-10	\$ -	\$ -
16-Aug-10	2,076,028.00	<u>2,076,028.00</u>
	GNP Services, CPA, PA	\$ 2,076,028.00
	Gollahon Financial Services, Inc.	<u>2,076,028.00</u>
	Difference	<u><u>\$ 0.00</u></u>

**Sumter County, Florida**  
**\$4,775,000 Capital Improvement Revenue**  
**Refunding Bonds, Series 1998**

**Exhibit 4 - Verification of Total Escrow Cash Flow and Escrow Yield**

<b>DATE</b>	<b>TOTAL CASH DEPOSIT</b>	<b>ESCROW SECURITY RECEIPT</b>	<b>ESCROW YIELD 0.000000%</b>	<b>DRAW REQUIREMENTS</b>	<b>EXCESS BALANCE</b>
22-Jul-10 Cash Deposit	\$ 1.13	\$ -	\$ -	\$ -	\$ 1.13
16-Aug-10		2,076,028.00	2,076,028.00	2,076,028.13	1.00
GNP Services, CPA, PA	1.13	2,076,028.00	2,076,028.00	2,076,028.13	
Gollahon Financial Services, Inc.	1.13	2,076,028.00	2,076,028.00	2,076,028.13	
Difference	0.00	0.00	0.00	0.00	



# DEPARTMENT OF THE TREASURY

BUREAU OF THE PUBLIC DEBT

PARKERSBURG, WV 26106-0396

## SUBSCRIPTION CONFIRMATION

State and Local Government Series Securities

Treasury Case Number:	201003290
Program Type:	Time Deposit
Issue Amount:	\$2,076,028.00
Issue Date:	07/22/2010
Owner Name:	Sumter County, FI Capital Improvement Revenue Refunding Bonds Series 1998
TIN:	59-6000865
Rate Table Date:	07/15/2010
Status:	Complete
Confirmation Date:	07/15/2010
Confirmation Time:	01:26 PM EDT

# Board of County Commissioners

## Sumter County, Florida



910 N. Main Street, Room 201 • Bushnell, FL 33513-6146 • Phone (352) 793-0200 • FAX: (352) 793-0207

Website <http://sumtercountyfl.gov>

July 14, 2010

U.S. Bank Corporate Trust Services  
Terence T. Rawlins, Vice President  
225 Water Street, Suite 700  
Jacksonville, FL 32202

Re: Sumter County, Florida, Cash Defeasance of Series 1998 Revenue Bonds

Dear Mr. Rawlins,

You are hereby directed to call Sumter County's Capital Improvement Revenue and Refunding Bonds, Series 1998 by sending the bondholders notice on July 16, 2010, and calling the bonds on August 16, 2010. The Sumter County, Florida Board of County Commissioners passed Resolution #2010-33 on July 13, 2010 which authorizes the full redemption on the call date of the 1998 bonds and instructs U.S. Bank as Paying Agent to give notice on its behalf to all bondholders in accordance with the terms of the original Bond Resolution.

Very truly yours,

By:   
Sandra Howell  
Assistant County Administrator

cc: Clerk of Court – Deputy Clerk Webb  
Mr. Art Bisner – Budget & Purchasing Manager  
Mr. Jim Gollohan – Gollahon Financial Services, Inc.  
Mr. William L. Zvara

Richard "Dick" Hoffman, Dist 1  
(352) 753-1592 or 793-0200  
910 N. Main Street  
Bushnell, FL 33513

Doug Gilpin, Dist 2  
Chairman  
(352) 793-0200  
910 N. Main Street  
Bushnell, FL 33513

Don Burgess, Dist 3  
Vice Chairman  
(352) 753-1592 or 793-0200  
910 N. Main Street  
Bushnell, FL 33513

Garry Breedon, Dist 4  
(352) 793-0200  
910 N. Main Street  
Bushnell, FL 33513

Randy Mask, Dist 5  
2<sup>nd</sup> Vice Chairman  
Office: (352) 793-0200  
Home: (352) 793-3930  
910 N. Main Street  
Bushnell, FL 33513

Bradley S. Arnold,  
County Administrator  
(352) 793-0200  
910 N. Main Street  
Bushnell, FL 33513-6146

Gloria R. Hayward, Clerk & Auditor  
(352) 793-0215  
209 North Florida Street  
Bushnell, FL 33513

County Attorney  
The Hogan Law Firm  
Post Office Box 485  
Brooksville, Florida 34605



**NOTICE OF FULL OPTIONAL REDEMPTION**

**SUMTER COUNTY, FL  
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS  
SERIES 1998**

NOTICE IS HEREBY GIVEN pursuant to the terms of the governing document dated as of August 1, 1998, between Sumter County, FL, as Issuer, and U.S. Bank National Association, as Trustee or Agent, that the bonds listed below have been selected for Full Redemption on August 16, 2010 (the Redemption Date) at the price listed below of the principal amount (the Redemption Price) together with interest accrued to the Redemption Date.

<u>*CUSIP</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Price</u>
866527DK7	06/01/2011	4.75%	\$305,000	100.00%
866527DL5	06/01/2012	4.80%	\$320,000	100.00%
866527DN1	06/01/2013	4.875%	\$330,000	100.00%
866527DM3	06/01/2016	5.00%	\$1,100,000	100.00%

Pursuant to the governing documents, payment of the Redemption Price on the Bonds called for redemption will be paid with out presentation of the Bonds if presentment is not required and upon presentation of the Bonds if presentment is required. If presentment is required, surrender thereof can be made in the following manner:

If by Mail:  
**U.S. Bank**  
**Corporate Trust Services**  
P.O. Box 64111  
St. Paul, MN 55164-0111

If by Hand or Overnight Mail:  
**U.S. Bank**  
**Corporate Trust Services**  
60 Livingston Avenue  
1st Fl - Bond Drop Window  
St. Paul, MN 55107

**1-800-934-6802**

Bondholders presenting their bonds in person for same day payment **must** surrender their bond(s) by 1:00 P.M. on the Redemption Date and a check will be available for pick up after 2:00 P.M. Checks not picked up by 4:30 P.M. will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.

**REQUIREMENT INFORMATION**

For a list of redemption requirements please visit our website at [www.usbank.com/corporatetrust](http://www.usbank.com/corporatetrust) and click on the **“Bondholder Information”** link.

**IMPORTANT NOTICE**

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”), 28% will be withheld if tax identification number is not properly certified.

*\*The Undersigned shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the Holders.*

**By: U.S. Bank National Association**  
*As Trustee or Agent*

Dated: July 16, 2010

**Sumter County, Florida**  
**Sources & Uses Report**  
Cash Defeasance of 1998 Bonds with Hypothetical .25% General Fund Loan

<b>Sources of Funds:</b>	
Principal Amount of Current Interest Bonds (CIBs)	2,089,529.13
<b>Total SOURCES of Funds</b>	<b>\$2,089,529.13</b>
<b>Uses of Funds:</b>	
SLG Escrow Cost	2,076,029.13
Issuance Expenses: ( \$13,500.00)	
Bond Counsel	6,250.00
Financial Advisor	6,250.00
Escrow Agent	500.00
Verification Agent	500.00
<b>Total USES of Funds</b>	<b>\$2,089,529.13</b>

**Miscellaneous Bond Issuance Information:**

Delivery Date:	07/22/2010
Principal Amount of Bonds Being Refunded	2,055,000.00
Principal Amount of the Refunding Bonds	2,089,529.13
Proceeds of "The (new) Bonds"	2,089,529.13
Rate/Yield on the Refunded Bonds	4.95359317%
"All Costs Included" TIC on the New Issue is	0.44427179%
Federal Arbitrage Yield on the New Issue is	0.25000504%
Yield on Escrow	-
Total Debt Service Savings	318,134.55
Present Value Savings @ 0.25000504%	315,698.67
Total Debt Service Savings as a Percent of Total Debt Service of Refunded Bonds	13.11776045%
Present Value Savings as a Percent of Principal Amount of Bonds Being Refunded	15.36246531%

**Sumter County, Florida**

**Refunding Effects**

**Cash Defeasance of 1998 Bonds with Hypothetical .25% General Fund Loan**

Year Ending 11/30	Current Total Debt Service	Less: Debt Service on Refunded Bonds(1)	Plus:			Post Rfndg Debt Service	Post Rfndg Savings
			Current Interest Bonds Principal	Interest	Capital Appr Bonds		
2011	405,935	405,935	348,429	4,484		352,913	53,022
2012	406,448	406,448	349,072	4,353		353,425	53,022
2013	401,088	401,088	344,585	3,480		348,065	53,022
2014	405,000	405,000	349,359	2,619		351,978	53,022
2015	402,500	402,500	347,732	1,745		349,478	53,022
2016	404,250	404,250	350,352	876		351,228	53,022
<b>Totals</b>	<b>\$2,425,221</b>	<b>\$2,425,221</b>	<b>\$2,089,529</b>	<b>\$17,557</b>		<b>\$2,107,087</b>	<b>\$318,135</b>

(1) - This column only reflects debt payments scheduled after the closing date of 07/22/2010.

**Sumter County, Florida**  
**Refunding Analysis Savings Report**  
Cash Defeasance of 1998 Bonds with Hypothetical .25% General Fund Loan

Dates	Maturing Amount	Proceeds @ Issue Date	Coupon	Yield	Interest Amount	Total Debt Service	Escrowed Debt	FY Begins 12/01 Savings	Cumulative Savings	PV of Savings 0.25000504%
07/22/2010										
12/01/2010					1,871.87	1,871.87	50,467.50	48,595.63	48,595.63	48,552.14
06/01/2011	348,429	348,428.79	0.250	0.250000	2,611.91	351,040.70	355,467.50	4,426.80	53,022.43	4,417.32
12/01/2011					2,176.38	2,176.38	43,223.75	41,047.37	94,069.80	40,908.30
06/01/2012	349,072	349,072.32	0.250	0.250000	2,176.38	351,248.70	363,223.75	11,975.05	106,044.85	11,919.58
12/01/2012					1,740.04	1,740.04	35,543.75	33,803.71	139,848.56	33,605.12
06/01/2013	344,585	344,585.00	0.250	0.250000	1,740.04	346,325.04	365,543.75	19,218.71	159,067.27	19,081.95
12/01/2013					1,309.30	1,309.30	27,500.00	26,190.70	185,257.97	25,971.86
06/01/2014	349,359	349,358.97	0.250	0.250000	1,309.30	350,668.27	377,500.00	26,831.73	212,089.70	26,574.31
12/01/2014					872.61	872.61	18,750.00	17,877.39	229,967.09	17,683.77
06/01/2015	347,732	347,732.36	0.250	0.250000	872.61	348,604.97	383,750.00	35,145.03	265,112.12	34,721.00
12/01/2015					437.94	437.94	9,625.00	9,187.06	274,299.18	9,064.89
06/01/2016	350,352	350,351.69	0.250	0.250000	437.94	350,789.63	394,625.00	43,835.37	318,134.55	43,198.43
	<b>\$2,089,529</b>	<b>\$2,089,529.13</b>			<b>\$17,556.32</b>	<b>\$2,107,085.45</b>	<b>\$2,425,220.00</b>	<b>\$318,134.55</b>		<b>\$315,698.67</b>
<b>Acc Int</b>										
<b>Grnd Total</b>	<b>\$2,089,529</b>	<b>\$2,089,529.13</b>			<b>\$17,556.32</b>	<b>\$2,107,085.45</b>	<b>\$2,425,220.00</b>	<b>\$318,134.55</b>		<b>\$315,698.67</b>

**Sumter County, Florida**  
**Cash Defeasance of 1998 Bonds with Hypothetical .25% General Fund Loan**  
**Dated Date = 07/22/2010 Delivery Date = 07/22/2010**

Dates	Term Bond Maturities	Bond Redemptions	Proceeds	Coupon Rate	Yield	Price	Interest Amount	Total Debt Service	Fiscal Year Debt Service
12/01/2010	-	-	-	-	-	-	1,871.87	1,871.87	-
06/01/2011	-	348,428.79	348,428.79	0.250	0.250000	100.000000	2,611.91	351,040.70	352,912.57
12/01/2011	-	-	-	-	-	-	2,176.38	2,176.38	-
06/01/2012	-	349,072.32	349,072.32	0.250	0.250000	100.000000	2,176.38	351,248.70	353,425.08
12/01/2012	-	-	-	-	-	-	1,740.04	1,740.04	-
06/01/2013	-	344,585.00	344,585.00	0.250	0.250000	100.000000	1,740.04	346,325.04	348,065.08
12/01/2013	-	-	-	-	-	-	1,309.30	1,309.30	-
06/01/2014	-	349,358.97	349,358.97	0.250	0.250000	100.000000	1,309.30	350,668.27	351,977.57
12/01/2014	-	-	-	-	-	-	872.61	872.61	-
06/01/2015	-	347,732.36	347,732.36	0.250	0.250000	100.000000	872.61	348,604.97	349,477.58
12/01/2015	-	-	-	-	-	-	437.94	437.94	-
06/01/2016	-	350,351.69	350,351.69	0.250	0.250000	100.000000	437.94	350,789.63	351,227.57
<b>Total</b>	-	<b>2,089,529.13</b>	<b>2,089,529.13</b>				<b>17,556.32</b>	<b>2,107,085.45</b>	<b>2,107,085.45</b>
<b>Acc Int</b>	-	-	-				-	-	-
<b>Grand Ttls</b>	-	<b>2,089,529.13</b>	<b>2,089,529.13</b>				<b>17,556.32</b>	<b>2,107,085.45</b>	<b>2,107,085.45</b>
TIC (Incl. all expenses) .... 0.44427179%      Average Coupon ..... 0.25000030%      Net Eff. Int. Rate (Texas Vernon's) = 0.250000% (with Adjstmnt of \$0.00). TIC (Arbitrage TIC) ..... 0.25000504%      Average Life (yrs) ... 3.36      IRS Form 8038-G NIC = 0.250000% (with Adjstmnt of \$0.00). Bond Years ..... 7,022.52      WAM (yrs) ..... 3.360814      NIC = 0.250000% (with Adjstmnt of \$0.00).									

**Sumter County, Florida**  
**U. S. Treasury SLG Investments**  
Cash Defeasance of 1998 Bonds with Hypothetical .25% General Fund Loan  
Escrow Settlement Date Is 07/22/2010

<b>Payment Dates</b>	<b>SLG Principal</b>	<b>SLG Rates Subscribed</b>	<b>Interest</b>	<b>Total SLG Receipts</b>	<b>Receipts PV'd @ 0.00000000%</b>	<b>SLG Rates From Table</b>
08/16/2010	2,076,028	0.000000	0.00	2,076,028.00	2,076,028.00	0.160000
<b>Totals</b>	<b>\$2,076,028</b>		<b>\$0.00</b>	<b>\$2,076,028.00</b>	<b>\$2,076,028.00</b>	

SLG Rates were taken from a SLG table dated 07/06/2010

**Sumter County, Florida**  
**Escrow Sufficiency & Balance Report**  
Cash Defeasance of 1998 Bonds with Hypothetical .25% General Fund Loan  
Escrow Settlement Date Is 07/22/2010

Dates	Proceeds from Original Restricted Esc	Less Amts to be Invested in 0% SLGs	Plus Maturing Amts Invested in 0% SLGs	Adjusted Proceeds from Rstrct'd Esc	Present Value @ 0.00000000%	Proceeds from 'Other' Investments	Old D/S Requirement	Escrow New Balance	Escrow Old Balance
07/22/2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.13	1.13
08/16/2010	2,076,028.00	0.00	0.00	2,076,028.00	2,076,028.00	0.00	2,076,028.13	1.00	1.00
<b>Totals</b>	<b>\$2,076,028.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,076,028.00</b>	<b>\$2,076,028.00</b>	<b>\$0.00</b>	<b>\$2,076,028.13</b>		
Cost of SLG Securities			\$2,076,028.00					Escrow Arbitrage YLD after Reinvestment in 0% SLGs = 0.00000000%	
Cost of 'Other' Restricted Investments			\$0.00						
Escrow Starting Balance			\$1.13						
	<b>Total Escrow Cost ...</b>		<b>\$2,076,029.13</b>						<b>SLG Rates Were Taken From SLG Table Dated 07/06/2010</b>

**Sumter County, Florida**  
**Cash Defeasance of 1998 Bonds with Hypothetical .25% General Fund Loan**  
**Dated Date = 06/01/2010 Delivery Date = 06/01/2010**

Dates	Term Bond Maturities	Bond Redemptions	Proceeds	Coupon Rate	Yield	Price	Interest Amount	Total Debt Service	Fiscal Year Debt Service	Debt Service to Call
08/16/2010	-	-	-	-	-	-	-	-	-	2,076,028.13
12/01/2010	-	-	-	-	-	-	50,467.50	50,467.50	-	-
06/01/2011	-	305,000.00 *	305,000.00	4.750	4.750000	100.000000	50,467.50	355,467.50	405,935.00	-
12/01/2011	-	-	-	-	-	-	43,223.75	43,223.75	-	-
06/01/2012	-	320,000.00 *	320,000.00	4.800	4.800000	100.000000	43,223.75	363,223.75	406,447.50	-
12/01/2012	-	-	-	-	-	-	35,543.75	35,543.75	-	-
06/01/2013	-	330,000.00 *	330,000.00	4.875	4.875000	100.000000	35,543.75	365,543.75	401,087.50	-
12/01/2013	-	-	-	-	-	-	27,500.00	27,500.00	-	-
06/01/2014	-	350,000.00 *	350,000.00	5.000	5.000000	100.000000	27,500.00	377,500.00	405,000.00	-
12/01/2014	-	-	-	-	-	-	18,750.00	18,750.00	-	-
06/01/2015	-	365,000.00 *	365,000.00	5.000	5.000000	100.000000	18,750.00	383,750.00	402,500.00	-
12/01/2015	-	-	-	-	-	-	9,625.00	9,625.00	-	-
06/01/2016	-	385,000.00 *	385,000.00	5.000	5.000000	100.000000	9,625.00	394,625.00	404,250.00	-
<b>Total</b>	-	<b>2,055,000.00</b>	<b>2,055,000.00</b>				<b>370,220.00</b>	<b>2,425,220.00</b>	<b>2,425,220.00</b>	<b>2,076,028.13</b>
<b>Acc Int</b>	-	-	-				-	-	-	-
<b>Grand Ttls</b>	-	<b>2,055,000.00</b>	<b>2,055,000.00</b>				<b>370,220.00</b>	<b>2,425,220.00</b>	<b>2,425,220.00</b>	<b>2,076,028.13</b>

\* - Bonds callable ... 08/16/2010@100.000

TIC (Incl. all expenses) .... 4.95365580%	Average Coupon ..... 4.95609103%	Net Eff. Int. Rate (Texas Vernon's) = 4.956091% (with Adjstmnt of \$0.00).
TIC (Arbitrage TIC) ..... 4.95365580%	Average Life (yrs) ... 3.64	IRS Form 8038-G NIC = 4.956091% (with Adjstmnt of \$0.00).
Bond Years ..... 7,470.00	WAM (yrs) ..... 3.635036	NIC = 4.956091% (with Adjstmnt of \$0.00).

## INCUMBENCY CERTIFICATE

July 22, 2010

We, the undersigned officers of or to the Board of County Commissioners (the "Board") of Sumter County, Florida (the "Issuer"), do hereby certify in connection with the execution and delivery of an Escrow Deposit Agreement, dated the date hereof, between U.S. Bank National Association (the "Escrow Agent") and the Issuer (the "Escrow Deposit Agreement") for the cash defeasance of all the Issuer's outstanding Capital Improvement Revenue Refunding Bonds, Series 1998 (the "Bonds"), which were issued pursuant to a Resolution, duly adopted by the Board of the Issuer on December 14, 1990, as amended and supplemented by resolutions of the Issuer adopted on December 14, 1993 and July 28, 1998 (collectively, the "Bond Resolution"), and which are approved for defeasance pursuant to Resolution No. 2010-33 duly adopted by the Board of the Issuer on July 13, 2010 (the "Defeasance Resolution"),

### DO HEREBY CERTIFY THAT:

(1) The names of the members of the Board of County Commissioners set forth below, and the dates of the expiration of their respective terms of office, are as follows:

<u>Name</u>	<u>Title</u>	<u>Term Begins</u>	<u>Term Ends</u>
Doug Gilpin	Chairman	November, 2006	November, 2010
Donald Burgess	Vice Chairman	June, 2009	November, 2010
Randy Mask	2 <sup>nd</sup> Vice Chairman	November, 2008	November, 2012
Gary Breeden	Member	November, 2006	November, 2010
Richard Hoffman	Member	November, 2008	November, 2012

(2) All of the above persons have duly filed their oaths of office and such of them as are required by law to file bonds or undertakings have duly filed such bonds or undertakings in the amount and manner required by law.

(3) Doug Gilpin is the duly elected Chairman of the Board of County Commissioners of the Issuer and serves as Chairman at the pleasure of the Board. Donald Burgess is the duly elected Vice Chairman of the Board of County Commissioners of the Issuer and serves as Vice Chairman at the pleasure of the Board. Randy Mask is the duly elected 2<sup>nd</sup> Vice Chairman of the Board of County Commissioners of the Issuer and serves as 2<sup>nd</sup> Vice Chairman at the pleasure of the Board

(4) Gloria R. Hayward is the duly elected Clerk of the Circuit Court, ex officio Clerk to the Board. She has held this position since January 1997, and her term expires January, 2013.

(5) Section 17 of the Bond Resolution authorizing the defeasance of the Bonds and appearing elsewhere in the records of the Issuer has not been amended or modified since the respective dates of its adoption, and is currently in full force and effect.

(6) The Defeasance Resolution has been duly adopted and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and subject to judicial discretion.

(7) The Issuer is a duly created and validly existing political subdivision under the Constitution and laws of the State of Florida and has and had full legal right, power and authority to execute and deliver the Escrow Deposit Agreement.

(8) The Issuer has duly adopted the Defeasance Resolution, has duly authorized and approved the execution and delivery of, and the performance by it of the obligations contained in, the Escrow Deposit Agreement.

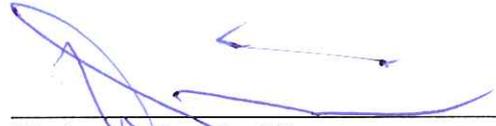
(9) The Issuer will apply the Cash Funds (as defined in the Defeasance Resolution) as provided in the Defeasance Resolution and in the Escrow Deposit Agreement. The Issuer has authorized the application of the Cash Funds for the defeasance of the Bonds and has directed the redemption of all the outstanding Bonds on August 16, 2010. The Cash Funds are not derived from any borrowing and shall not be replaced by any borrowed funds. The Cash Funds are derived from legally available unencumbered funds of the Issuer which were in the General Fund, which were approved for transfer to the Sinking Fund under the Bond Resolution.

(10) The undersigned Chairman and ex officio Clerk of the Issuer hereby certify that to their knowledge no two or more members of the Board, meeting together, reached any prior conclusion as to whether the actions taken by the Board, with respect to the Defeasance Resolution and the application of the Cash Funds, should or should not be taken by the Board, except at public meetings of the Board held after due notice to the public was given in the ordinary manner required by law and custom of the Board.

(11) The Issuer is not in default in performing any of the covenants and obligations assumed under the Bond Resolution and all payments required to be made into the funds and accounts established in the Bond Resolution have been made to the full extent required.

WITNESS our hands and the seal of the Issuer this 22nd day of July, 2010.

**SUMTER COUNTY, FLORIDA**



Chairman, Board of County  
Commissioners



Clerk of the Circuit Court,  
ex officio Clerk to the Board  
of County Commissioners



County Administrator

WILLIAM L. ZVARA, P.A.  
ATTORNEY AT LAW

4810 ARAPAHOE AVENUE  
JACKSONVILLE, FLORIDA 32210

P.O. Box 7034  
JACKSONVILLE, FLORIDA 32238

(904) 387-2266

WLZ.COM

WZVARA@WLZ.COM

July 22, 2010

Chairman  
Board of County Commissioners  
Sumter County, Florida

\$4,775,000  
SUMTER COUNTY, FLORIDA  
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS  
SERIES 1998

Dear Sir:

On the date hereof Sumter County, Florida (the "Issuer") established an escrow fund for the above-mentioned Bonds (the "Bonds").

The Bonds were issued by the Issuer on September 3, 1998, under resolutions of the Board of County Commissioners of the Issuer ("Board") adopted on December 14, 1990, December 14, 1993 and July 28, 1998 (the "Bond Resolution").

In that connection, I have examined the law and such certified proceedings of the Issuer and other proofs as I deem necessary to render this opinion, including the Bond Resolution, a resolution of the Board adopted on July 13, 2010, and the Escrow Deposit Agreement dated as of July 22, 2010 (the "Escrow Deposit Agreement") between the Issuer and U.S. Bank National Association (the "Escrow Agent"). Capitalized terms not defined herein shall have the meanings assigned them in the Escrow Deposit Agreement.

As to questions of fact material to my opinion, I have relied upon representations of the Issuer contained in the above-mentioned documents, and in the certified proceedings and other certifications of officials of the Issuer, without undertaking to verify the same by independent investigations.

Based on the foregoing and in reliance upon certain verifications of GNP Services, CPA, PA, certified public accountants, in the Defeasance Report, dated the date hereof, I am of the opinion that:

(i) the lien on and pledge of the Pledged Revenues (as defined in the Bond Resolution) for payment of the principal of and interest on the Bonds is released and discharged and is no longer in effect, pursuant to the terms of the Bond Resolution;

(ii) all conditions precedent to the satisfaction and discharge of the Bond Resolution have been fulfilled and the Bonds are deemed to be paid and are no longer outstanding for the purposes of the Bond Resolution; and

WILLIAM L. ZVARA, P.A.

Page -2-

(iii) the deposit with the Escrow Agent of the Escrow Securities and moneys under the Escrow Deposit Agreement will not cause the interest on any Bonds to become includable in the gross income of the owners thereof for federal income tax purposes.

This letter is solely for your benefit and may not be relied on by any other person and is not to be circulated by you to potential purchasers of the Bonds.

Respectfully submitted,

*Wm. L. Zvara, P.A.*

**SUMTER COUNTY, FLORIDA**  
**CLOSING MEMORANDUM AND WIRING INSTRUCTIONS**  
**CASH DEFEASANCE OF THE 1998 BONDS**

**Sources of Funds:**

Cash Contribution from Sumter County	<u>\$ 2,089,529.13</u>
Total Sources	\$ 2,089,529.13

**Uses of Funds:**

Deposit to 1998 Escrow Fund	\$ 2,076,029.13
Issuance Expenses (pay on invoice)	<u>13,500.00</u>
Total Uses	\$ 2,089,529.13

**Tuesday July 20 or Wednesday July 21, 2010:**

Bill Zvara and Sandee Howell will coordinate the signing of the closing documents and will circulate the signed documents via e-mail in pdf format.

**Thursday July 22, 2010:**

The closing will be conducted by phone and e-mail as follows:

Art Bisner will initiate an early morning wire transfer of cash to the 1998 Escrow Fund:

RBK: U.S. Bank N.A.  
ABA: 091000022  
BNF: USBANK CT WIRE CLRG  
Beneficiary Account Number: NC 180121167365  
Beneficiary Account Address: 777 E. Wisconsin Avenue  
Milwaukee, WI 53202-5300  
OBI Account Name: Sumter County Esc Ref Ser 98  
Trust Account Number: 141912000  
Account Reference: Escrow Funds  
Notify: Latasha McKlevey 904-358-5351

Upon confirmation of the receipt of the wire transfer, Bill Zvara, Bond Counsel, will declare the transaction closed.

Begin forwarded message:

**From:** "William L. Zvara" <wzvara@wlz.com>

**Date:** July 22, 2010 10:44:44 AM EDT

**To:** terence.rawlins@usbank.com, "Jim Gollahon" <Jim@GollahonFinancial.com>

**Cc:** art.bisner@sumtercountyfl.gov, sandra.howell@sumtercountyfl.gov, "Tisha Swearingen" <Tisha@dufresnecpas.com>, wzvara@wlz.com

**Subject:** **Re: \*Confidential: Re: Sumter County Capital Improvement Rev Ref Bds, Series 1998**

**Reply-To:** wzvara@wlz.com

All -

I just confirmed by phone that Terence will purchase the Escrow Securities for the Escrow Deposit Agreement with proceeds of the wire received from Sumter County described below. The EDA is fully executed, the Final Defeasance Report is delivered, and all other closing items were already delivered.

I release my Defeasance Opinion. We are now officially closed.

Thank you to the entire team for making this a successful closing for Sumter County. I look forward to working with you again in the future.

Bill

Via BlackBerry

William L. Zvara, P.A.  
Attorney at Law  
4810 Arapahoe Avenue  
Jacksonville, Florida 32210

P.O. Box 7034 (zip 32238)

(904) 387-2266

[www.WLZ.com](http://www.WLZ.com)

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**From:** terence.rawlins@usbank.com  
**Date:** Thu, 22 Jul 2010 08:55:18 -0500  
**To:** Jim Gollahon<Jim@GollahonFinancial.com>  
**Cc:** <art.bisner@sumtercountyfl.gov>; <sandra.howell@sumtercountyfl.gov>;  
Tisha Swearingen<Tisha@dufresnecpas.com>; <wzvara@wlz.com>  
**Subject:** \*Confidential: Re: Sumter County Capital Improvement Rev Ref Bds,  
Series 1998

Good morning all,

US Bank has received the wire transfer of \$2,076,029.13. I am attaching the signature page to the Escrow Deposit Agreement executed by me. Please advise me when we are authorized to deposit the funds to the escrow account and purchase the SLG.

Thanks

---

Terence T. Rawlins, Vice President  
Jacksonville Site Manager & Account Manager  
U.S. Bank Corporate Trust Services  
EX-FL-WWSJ  
225 Water Street, Suite 700  
Jacksonville, FL 32202  
Email: terence.rawlins@usbank.com  
Telephone: 904 358-5355  
Facsimile: 904 358-5374

U.S. BANCORP made the following annotations-----  
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