

**COMMERCIAL PAPER MEMORANDUM  
BROWARD COUNTY, FLORIDA  
SALES TAX REVENUE COMMERCIAL PAPER NOTES  
SERIES A, B AND C**

OFFERING

RATINGS: See "RATINGS" herein

Goldman Sachs & Co., as Commercial Paper Dealer, is offering for sale on behalf of Broward County, Florida (the "County"), the County's Commercial Paper Notes, Series A, Series B and Series C. Interest on the Notes is payable on each respective maturity date on an actual 365-day year basis. The Notes will be sold at par.

The principal of and interest on the Notes is payable from and secured solely by a pledge of (i) the receipts from the Local Government Half-Cent Sales Tax distributed to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund (the "Pledged Revenues"); and (ii) all funds, together with investment earnings thereon, held in the accounts created under the Indenture securing the Notes (collectively, the "Pledged Funds"). All the Notes are issued under the Resolution (herein defined), have the benefit of the liquidity support described below and are secured on a parity basis. Neither the Notes nor the interest thereon will constitute a general obligation or indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, but instead will be special limited obligations of the County. No holder of any Notes will ever have the right to require or compel the exercise of the ad valorem taxing power of the County or taxation in any form of any property therein for payment of the Notes or be entitled to payment of such principal and interest from any other funds of the County, except from the Pledged Funds in the manner provided in the Resolution.

Liquidity support for the Notes is provided by the Credit Agreement dated as of February 1, 1999, as amended from time to time (the "Credit Agreement") between the County and Dexia Credit Local, as successor to Credit Local de France, acting through its New York Agency (the "Bank"). Pursuant to the Credit Agreement, provided certain conditions have been satisfied, the Bank has agreed to make loans to the County in an aggregate principal amount of up to, but not exceeding, \$125,000,000 to enable the County to pay the principal amount of the Notes and \$9,246,577 to pay interest on the Notes in the event other moneys (including the proceeds of additional Notes) are not available therefore (collectively, the "Credit Amount"). The Credit Amount may be increased or decreased as provided in the Credit Agreement. The Notes are exempt from registration under Section 3(a)(2) of the Securities Act of 1933, as amended.

*In the opinion of Squire, Sanders & Dempsey L.L.P., Note Counsel, under existing law, assuming continuing compliance by the County with the Internal Revenue Code of 1986 (the "Code"), the interest on the initial Series A Notes and the Series B Notes is, and when additional Series A Notes and the Series B Notes are issued in accordance with the Resolution, the interest on such additional Series A Notes and the Series B Notes will be, excluded from gross income for federal income tax purposes and will not be treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. The interest may be further subject to certain federal taxes imposed on certain corporations, including the corporate alternative minimum tax on a portion of that interest. The interest on the Series C Notes will not be excluded from gross income for federal income tax purposes. Note Counsel is further of the opinion that the initial Notes and the interest thereon are, and when additional Notes are issued in accordance with the Resolution, such additional Notes and the interest thereon will be, exempt from taxation under the laws of the State of Florida, except estate taxes imposed under Chapter 198, Florida Statutes, as amended and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. (See "LEGAL OPINION" herein.)*

**GOLDMAN, SACHS & CO.**

July 18, 2007

**BROWARD COUNTY, FLORIDA**  
**SALES TAX REVENUE COMMERCIAL PAPER NOTES**  
**SERIES A, B and C**

**THE COUNTY**

Broward County, created in October 1915 by the legislature of the State of Florida, is located on the southeast coast of Florida and has an area of approximately 1,197 square miles. The County is bordered on the south by Miami-Dade County (the County's southern boundary is approximately 12 miles north of the City of Miami) and on the north by Palm Beach County. Located within the County are 31 municipalities. The County ranks second in the State and 15th in the nation with a 2000 Census population of 1.62 million persons and has an estimated 2007 population of 1,822,032. Approximately 50% of the County's population lives in the seven largest cities: Coral Springs, Fort Lauderdale, Hollywood, Pembroke Pines, Plantation, Pompano Beach and Sunrise.

The civilian labor force in the County increased from 815,361 in 2000 to an estimated 974,486 in 2006. The County's unemployment rate for 2006 was 3.1%. The major employment sector in the County is services, which accounted for 88.3% of nonagricultural employment in 2006. Wholesale and retail trade was the second largest sector representing 19.1% of employment, with government and finance representing 13.2% and 8.6%, respectively.

**THE PROGRAM**

The County established a multi-purpose commercial paper program including three series of notes (the "Program") in 1989 to provide financing for a variety of public projects (the "Projects"). Proceeds of the commercial paper program have been and are expected to continue to be used to provide interim financing for Projects, including but not limited to the following:

Airport Projects	Solid Waste Projects
General Purpose Capital Outlay	Water and Wastewater System
Port Everglades Projects	

The County intends that the commercial paper issued to fund each specific public project will ultimately be retired from (i) general county or project-related revenues, (ii) proceeds of the sale of long-term general obligation or revenue bonds, or (iii) the proceeds of State or Federal grants. These funds, however, are not pledged to the repayment of the Commercial Paper Notes (the "Notes") (see below). It is expected that maturing Commercial Paper Notes will in all cases either be paid with new Commercial Paper Notes or paid from the sources mentioned above. Dexia Credit Local, as successor to Credit Local de France, acting through its New York Agency (the "Bank") will provide a line of credit (the "Line of Credit") under a Credit Agreement, dated as of February 1, 1999, as amended (the "Credit Agreement") between the County and the Bank, to provide liquidity support for the Notes.

The Notes are limited obligations of the County, and are not general obligations of the County, and will be solely secured by and payable from the Pledged Funds. Pledged Funds are the Sales Tax Revenues (see "THE LOCAL GOVERNMENT HALF-CENT SALES TAX") and all funds held in trust under the Indenture by the County or the Trustee for the benefit of the owners of the Notes (the "Noteholders"), and all earnings and investment income, excluding amounts to be rebated, if any, to the federal government. The County will diligently enforce its right to

receive the Sales Tax Revenues. The County has covenanted not to take any action which will impair or adversely affect its right to receive the Sales Tax Revenues, as pledged in the Indenture, or impair or adversely affect in any manner the pledge of the Pledged Funds made in the Indenture or the rights of the Noteholders. The County shall be unconditionally and irrevocably obligated, so long as any of the Notes are outstanding and unpaid, to take all lawful action necessary or required to continue to entitle the County to receive the Sales Tax Revenues in at least the same amount and at least the same rate as now provided by law to pay the principal of and interest on the Notes and to make the other payments provided for in the Indenture.

There are no obligations having a prior or parity pledged lien on the Sales Tax Revenues, other than the Notes and the obligations of the County to the Bank under the Credit Agreement. The County has covenanted not to issue any other obligations payable from Pledged Funds, nor hereafter voluntarily create or cause to be created any debt, lien, pledge or assignment on a parity with the lien of the Notes and any advances and other amounts due to the Bank under the Credit Agreement. Any additional obligations issued by the County that are payable from the Pledged Funds shall contain an express statement that such obligations are junior and subordinate in all respects to the Notes and any advances and other amounts due to the Bank under the Credit Agreement as to their liens on the source of and security for payment from such proceeds and funds.

The County has issued debt which is secured by a covenant to budget and appropriate from legally available non-ad valorem revenues amounts sufficient to pay the debt service on such debt.

### **THE LOCAL GOVERNMENT HALF-CENT SALES TAX**

The Notes are secured by an irrevocable pledge of the County's share of the Local Government Half-Cent Sales Tax (the "Sales Tax Revenues") on a parity with the lien of the Bank under the Credit Agreement.

Pursuant to Chapter 212, Florida Statutes, the State of Florida is authorized to levy and collect on a statewide basis a sales tax of 6% on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State of Florida, subject to certain exceptions and dealer allowances. Chapter 218, Florida Statutes, was amended in 1982 to add Part VI thereto entitled "Participation in Half-Cent Sales Tax Proceeds" (hereinafter referred to as the "Local Government Sales Tax Act"). Generally, after deduction of certain amounts to be deposited to the General Revenue Fund and Solid Waste Management Trust Fund of the State of Florida, a percentage of the proceeds remitted by a sales tax dealer located within a county is required to be transferred into the Local Government Half-Cent Sales Tax Clearing Trust Fund in the State Treasury (the "Trust Fund") and earmarked for distribution to the governing body of the county in which collected and to each municipality within that county which meets the eligibility requirements in Section 218.23, Florida Statutes, pursuant to a distribution formula described below. Such money is referred to in the Local Government Sale Tax Act as the "Local Government Half-Cent Sales Tax." Money in the Trust Fund is distributed on a monthly basis to participating cities and counties. Section 218.64, Florida Statutes, permits the cities and counties to pledge their share of the proceeds of the Local Government Half-Cent Sales tax for the payment of principal of and interest on the financing for any capital project.

The State Legislature recently adopted HB113A, which among other things, amended Section 212.20, Florida Statutes, to decrease the percentage distributed to the Trust Fund from

9.653% to 8.814%. This amendment becomes effective July 1, 2004. The result of this amendment is that the Half-Cent Sales Tax to be received by the County in the future will be lower than in recent past years. For example, the County estimates that the Half-Cent Sales Tax distributed to the County will be reduced annually by approximately \$5.6 million.

This amendment to the percentage of the Sales Tax to be deposited into the Trust Fund is one of several statutory amendments made by the Florida legislature in reaction to certain judicial system costs becoming responsibilities of the State instead of counties. The County anticipates that those statutory amendments will not have a material adverse impact on the County's financial condition. It is possible that the legislature could further revise the percentage of fees and taxes distributed to the Trust Fund which could cause the amount of Half-Cent Sales Tax to be received by the County in the future to decrease.

The portion of the Local Government Half-Cent Sales Tax collected within the County is distributed in accordance with the formula as set forth in Section 218.62, Florida Statutes, based upon the population of the incorporated and unincorporated areas of the County, as follows:

$$\begin{array}{rcl} \text{Distribution} & = & \text{Unincorporated} \\ \text{Factor} & & \text{County Population} \quad + \quad (2/3 \quad \times \quad \text{Incorporated Population}) \\ & & \hline & & \text{Total County} \quad + \quad (2/3 \quad \times \quad \text{Incorporated Population}) \\ & & \text{Population} \end{array}$$

The population figures are changed by the State Department of Revenue, effective retroactively to October 1 of each year, based on revisions to population estimates prepared by the University of Florida Bureau of Economic and Business Research.

The County has complied with all the requirements for participation in the Local Government Half-Cent Sales Tax proceeds as set forth in the Local Government Sales Tax Act, as well as the requirement for state revenue sharing incorporated therein, including the filing of a certificate of compliance with the State of Department of Revenue, which are necessary in order for the County to receive its distribution of funds from the Trust Fund during the current fiscal year. The County has covenanted in the Resolution to take all lawful action necessary or required to remain an eligible recipient of its distribution of the funds in the Trust Fund so long as any of the Notes remain outstanding. Although the Local Government Sales Tax Act does not impose any limitation on the number of years during which the County can receive distributions of the Local Government Half-Cent Sales Tax from the Trust Fund, there may be future amendments to the Local Government Sales Tax Act in subsequent years imposing additional requirements of the eligibility for cities and counties to receive distribution of the Local Government Half-Cent Sales Tax, or the distribution formula in Section 218.62, Florida Statutes, may be revised. To continue to be eligible to participate in the distribution of money from the Trust Fund in future years, the County must comply with the requirements of the Local Government Sales Tax Act. Otherwise, the County would lose its Trust Fund distributions for 12 months following a "determination of non-compliance" by the State Department of Revenue.

The Notes will not be or constitute a general indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation, but shall be payable solely from and secured by a lien upon a pledge of the Pledged Funds. The full faith and credit of the County is not pledged to the payment of the principal of, or premium, if any, or interest on the Notes. No owner of any of the Notes shall ever have the right to require or compel the exercise of the ad valorem taxing power of the County for payment thereof and the Notes shall

not constitute a lien upon any property owned by or situated within the corporate territory of the County.

### **SALES TAX REVENUE**

The County's share of the Sales Tax Revenues has been as follows:

<u>Year Ended September 30</u>	<u>Sales Tax Revenues</u>
1990	33,787,000
1991	33,445,000
1992	34,274,000
1993	40,621,000
1994	42,476,000
1995	45,415,000
1996	47,455,000
1997	49,560,000
1998	51,335,000
1999	54,574,000
2000	59,382,000
2001	60,227,000
2002	64,294,000
2003	66,313,000
2004	66,775,000
2005	70,609,000
2006	74,074,000

Source: Broward County Comprehensive Annual Financial Reports for Fiscal Years Ended September 30, 1987-2002; Broward County Finance and Administrative Services Department for all other data.

### **LIMITATION ON STATE REVENUES AMENDMENT**

At the November 8, 1994, general election, Florida voters approved an amendment to Article VII, Section 1(e) of the Florida Constitution which is commonly referred to as the "Limitation on State Revenues Amendment." This amendment provides that state revenues collected for any fiscal year shall be limited to state revenues allowed under the amendment for the prior fiscal year plus an adjustment for growth. Growth is defined as an amount equal to the average annual rate of growth in Florida personal income over the most recent twenty quarters times the state revenues allowed under the amendment for the prior fiscal year. State revenues collected for any fiscal year in excess of this limitation are required to be transferred to the budget stabilization fund until the fund reaches the maximum balance specified in Section 19(g) of Article III of the Florida Constitution, and thereafter is required to be refunded to taxpayers as provided by general law. The limitation on state revenues imposed by the amendment may be increased by the Legislature, by a two-thirds vote of each house.

The term "state revenues", as used in the amendment, means taxes, fees, licenses, and charges for services imposed by the Legislature on individuals, businesses, or agencies outside state government (subject to certain exceptions specified in the amendment). The amendment took effect on January 1, 1995. The Half-Cent Sales Tax is a source of revenue which is subject to this amendment.

To the extent that the County traditionally receives revenues from the State which are subject to, and limited by, the amendment, the future distribution of such state revenues to the County may be adversely affected by the amendment. However, the County does not expect the amendment to adversely effect the ability of the County to continue to receive Local Government Half-Cent Sales Tax revenues at levels sufficient to pay debt service on the Notes.

It should be noted that many of the provisions of the amendment are ambiguous, and likely will not be clarified until Florida courts have ruled on their meanings.

## **THE NOTES**

The Sales Tax Revenue Commercial Paper Notes (the "Notes") are authorized by Resolution No. 89-3270 dated September 26, 1989, as supplemented from time to time (the "Resolution"). The Notes are issued pursuant to the terms of the Indenture of Trust between the County and U.S. Bank Trust, National Association, as Trustee and successor to the prior Trustee, dated October 1, 1989, as amended by an Amended and Restated Indenture of Trust, dated August 1, 1994, as amended and supplemented from time to time (collectively, the "Indenture") in three Series in an aggregate principal amount not exceeding \$125,000,000 outstanding at any one time. The Notes are designated "Broward County, Florida, Sales Tax Revenue Commercial Paper Notes, Series A" (the "Series A Notes"), "Broward County, Florida, Sales Tax Revenue Commercial Paper Notes, Series B" (the "Series B Notes") and "Broward County, Florida, Sales Tax Revenue Commercial Paper Notes, Series C" (the "Series C Notes"), respectively, and will be issued by the County from time to time in accordance with the terms of the Resolution and Indenture.

The Notes of each Series will be dated the date of authentication and issuance thereof, will be issued in book-entry form and shall be in minimum denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof. Each Note shall bear interest at a rate calculated on a 365 day year, as may be approved by a County representative (the "Authorized Representative") on or prior to the issuance thereof in accordance with the terms of the Indenture, and the Notes will be issued from time to time as the proceeds thereof are needed to pay the costs of the Projects or the maturing principal and interest on other Notes pursuant to the procedures set forth in the Indenture. The Notes will mature not more than 270 days after their respective dates but in no event later than the Expiration Date, as defined in the Indenture and will not be subject to prepayment or redemption prior to their respective maturities other than in the case of acceleration in the event of default. Interest is payable on each respective maturity date. The current Expiration Date is February 25, 2009 (the "Program Termination Date") which is the current date of the expiration of the Line of Credit, or such later date as shall be established pursuant to the Indenture, upon extension of the Line of Credit. The Line of Credit can be extended, in the sole discretion of the Bank, each year. The Notes shall have such other terms and may be issued on such terms and conditions as shall be provided in the Indenture.

The Notes will be issued in book-entry form through the book-entry system of The Depository Trust Company, New York, N.Y. ("DTC"), as described below.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Note certificate will be issued for the Notes, and will be deposited with the Agent.

## **BOOK-ENTRY ONLY SYSTEM**

**THE FOLLOWING INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY (“DTC”) AND DTC’S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY AND THE DEALERS BELIEVE TO BE RELIABLE, BUT THE COUNTY AND THE DEALERS TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF.**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC.

DTC, the world’s largest depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic, computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standards & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes,

except in the event that use of the book-entry system for the Notes is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, Note certificates will be printed and delivered.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER, THE COUNTY AND THE TRUSTEE AND SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE NOTES FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL AND INTEREST ON THE NOTES, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE COUNTY AND THE TRUSTEE

TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER SUCH INDENTURE. THE COUNTY AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER WITH RESPECT TO THE PRINCIPAL OF AND INTEREST ON THE NOTES; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO NOTEHOLDERS; (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS REGISTERED OWNER.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC.

### **TAX EXEMPTION**

The interest on the Series A Notes shall be excluded from gross income of the holders thereof for federal income tax purposes and such interest shall not be treated as an item of tax preference under Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of determining a Noteholder's federal alternative minimum tax. The interest on the Series B Notes shall be excluded from gross income of the holders thereof for federal income tax purposes (except with respect to holders thereof that are "substantial users" or "related persons" to a "substantial user" within the meaning of Section 147(a) of the Code) and will be an item of tax preference under Section 57 of the Code for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such exclusion is conditioned upon compliance by the County with covenants in the Indenture to comply with certain arbitrage rebate and other tax requirements contained in the Code, to the extent necessary to preserve the exclusion of interest on the Series A Notes and the Series B Notes from gross income for federal income tax purposes. If the County fails to comply with such covenants, interest on the Series A Notes and the Series B Notes could become includable in the gross income of the owners thereof for federal income tax purposes retroactive to the date of issuance.

The interest on the Series C Notes will not be excluded from gross income for federal income tax purposes.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and compliance with certain covenants of the County to be contained in the transcript of proceedings, and which are intended to evidence and assure the foregoing, including that the Series A Notes and Series B Notes are and will remain obligations, the interest on which is excluded from gross income for federal income tax purposes. Note Counsel will not independently verify the accuracy of the certifications and representations made by the County.

Under Code provisions applicable only to corporations (as defined for federal income tax purposes), 75% of the excess of adjusted current earnings (which includes interest on all tax-exempt obligations, including the Series A Notes and Series B Notes) over other alternative minimum taxable income is included in alternative minimum taxable income and may be subject to a corporate alternative minimum tax. In addition, interest on the Series A Notes and the Series B Notes may be subject to a branch profits tax imposed on certain foreign corporations

doing business in the United States and to a tax imposed on excess net passive income of certain subchapter S corporations.

Under the Code the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owners of the Series A Notes and the Series B Notes. Bond Counsel expresses no opinion regarding such consequences.

Under existing law, the Notes are exempt from present Florida intangible personal property taxes.

### **THE CREDIT AGREEMENT**

The Bank will provide to the County a Line of Credit for the purpose of providing liquidity support for the principal of the Notes. Pursuant to the Credit Agreement, provided certain conditions have been satisfied, the Bank has agreed to make loans to the County in an aggregate principal amount of up to, but not exceeding \$125,000,000 to enable the County to pay the principal amount of maturing Notes and \$9,246,577 to pay interest on the Notes, in the event other moneys (including the proceeds of additional Notes) are not available therefor (collectively, the "Credit Amount"). The Credit Amount may be increased or decreased as provided in the Credit Agreement. The County may borrow, repay and reborrow under the Credit Agreement at anytime and from time to time, other than as described in the next paragraph. The County's obligation to repay amounts borrowed under the Credit Agreement will be on a parity with the Notes.

In the case of the following events of default, as described in the Credit Agreement, the Bank's commitment to make Advances to the County (with respect to Outstanding Notes) will immediately terminate without notice or further action by the Bank and amounts due under the Credit Agreement, together with accrued interest thereon, shall become immediately due and payable:

- (1) Principal or interest on an Advance or the Term Loan is not be paid when due; or
- (2) The Credit Agreement, any Note or the Term Loan Note is be adjudged by any court of competent jurisdiction to be invalid, illegal or unenforceable against the County and such judgment is final and non-appealable, or the County denies in writing that it has any liability hereunder or thereunder; or
- (3) Any pledge, lien or security interest created by the Credit Agreement or the Indenture in favor of, or for the benefit of, the Bank ceases or fails to be or to constitute a valid, perfected and subsisting first pledge, lien or security interest in and to the property or rights purported to be created thereby, subject only to the exception permitted by the Credit Agreement and the Indenture, due to repeal or amendment of the Act or as determined in a final non-appealable judgment of a court of competent jurisdiction; or

- (4) The County fails to pay any indebtedness that is payable in whole or in part from Sales Tax Revenues (the "Special Indebtedness), or any general obligation Indebtedness for which the full faith and credit of the County is pledged or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such indebtedness; or
- (5) An Event of Default occurs under Section 5.01(a) (relating to payment defaults) of the Indenture and the acceleration of the maturity of the obligations thereby secured or issued shall have occurred; or
- (6) Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services ("S&P") (i) lowers (a) the long-term rating, if any, on any Special Indebtedness or any general obligation indebtedness of the County to (A) in the case of Moody's, below Baa, or (B) in the case of S&P, below BBB-, or (b) the short-term rating, if any, on any Special Indebtedness or any general obligation indebtedness of the County to (A) in the case of Moody's below MIG-4 or P-3, and (B) in the case of S&P, below SP-2 or A-3; or (ii) Moody's and S&P has withdraws any rating of any Special Indebtedness or any general obligation indebtedness of the County (other than as a result of retirement, defeasance, failure of the county to provide information, or failure to apply for a rating); or
- (7) (i) The County (A) applies for or consents to the appointment of a receiver, trustee or liquidator of the County for all or a substantial part of the assets of the County, (B) commences a voluntary case or other proceeding or file a petition seeking reorganization, liquidation, composition of indebtedness or any arrangement with creditors under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or of the State of Florida, or (C) makes a general assignment for the benefit of creditors; or (ii) a valid moratorium is declared by the State of Florida or any other legal authority having jurisdiction over the County with respect to the payment by the County of its Indebtedness.; or
- (8) The County for any reason is not qualified to receive distributions from the local Government Half-Cent Sales Tax Clearing Trust Fund established pursuant to Chapter 218, Part V, Florida Statutes.

Capitalized terms not otherwise defined herein are used as defined in the Credit Agreement. The foregoing does not purport to be a complete summary of the Credit Agreement. There are other events of default specified in the Credit Agreement, however, the occurrence of those events will not result in the immediate termination of the liquidity facility with respect to then outstanding Notes. Copies of the Credit Agreement are available from the Finance and Administrative Services Department of the County.

Further information relating to the Bank is set forth in Appendix A hereto.

#### **SUBSTITUTE LINE OF CREDIT**

The County may, subject to the terms of the Credit Agreement, obtain a substitute Line of Credit to replace the Line of Credit then in effect so long as said substitute Line of Credit shall

become effective at least one Business Day prior to the termination of the Line of Credit then in effect; the Termination Date with respect to such substitute Line of Credit shall be no earlier than the earlier of (i) six (6) months after its date or (ii) the Termination Date set forth in the Line of Credit then in effect; the substitute Line of Credit shall be for an amount no less than the Line of Credit then in effect; the County shall notify the Trustee and the Dealer of such substitution prior to the substitute Line of Credit taking effect; and at the time of substitution, the County shall provide to the Trustee written evidence that the then current rating issued by each Rating Agency then rating the Commercial Paper Notes shall not be withdrawn or reduced as a result of the substitution of the substitute Line of Credit and that it is not a separate security requiring registration under applicable securities laws.

Additionally, in connection with the sale and remarketing of the Commercial Paper Notes, and in order to satisfy certain provisions of the Securities and Exchange Commission Rule 2a-7 and for the benefit of the holders of the Commercial Paper Notes, the County agrees to notify, or agrees to cause DTC to notify holders of the Commercial Paper Notes, the Trustee and the Dealer of and at least 14 days prior to (i) any substitution of the Line of Credit and (ii) any change in any conditions to provide such liquidity support with respect to the Commercial Paper Notes.”

#### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Rule 3E-400.003, rules of Government Securities, promulgated by the Florida Department of Banking and Finance, division of Securities, under Section 517.051(1), Florida Statutes (“Rule 3E-400.003”), requires the County to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the County after December 31, 1975. Rule 3E-400.003 further provides, however, that if the County in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The County, in good faith, believes that disclosure of any such default on bonds with respect to which the County was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered material by a reasonable investor. Accordingly, the County has not taken affirmative steps to contact the various trustees of conduit bond issues of the County to determine the existence of prior defaults.

Notwithstanding the foregoing, (i) the County is not, and since December 31, 1975 has not been, in default as to principal of and interest on bonds or other obligations for which either ad valorem or non ad valorem revenue of the County are pledge, and (ii) since the County is not obligated to pay debt service on defaulted industrial development bonds except from payments made by borrowers under their respected agreements, and any defaults in no way impact the Notes, certain specific disclosures relating to such defaults have been omitted.

#### **OTHER INFORMATION CONCERNING THE COUNTY**

For information with respect to the County’s operations and financial condition, reference is made to the Official Statement dated May 31, 2007 (the “Official Statement”) relating to the issuance and sale of the County’s General Obligation Refunding Bonds, Series 2007A. The Official Statement is on file with each nationally recognized municipal securities information repository (each a “NRMSIR”), within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission. The Official Statement contains certain fiscal, budgetary,

financial, debt and other general information concerning the County as of its date. The General Purpose Financial Report of the County for the fiscal year ended September 30, 2006 is also on file with and available from the NRMSIRs or from the County.

During the period of the offering of the Notes, the general and financial information about the County contained in the most recent Official Statement of the County filed with each NRMSIR is hereby deemed included in this Commercial Paper Memorandum by reference. Copies of such Official Statement may be obtained from any NRMSIR, or from the County.

The County prepares its Comprehensive Annual Financial Report ("CAFR") with respect to each fiscal year ending September 30, which becomes available on or before March 31 of the following fiscal year. Copies of the CAFR may be obtained by requesting the same in writing from the County and will be filed with each NRMSIR.

No attempt is made herein to summarize the Resolution, the Indenture, the Credit Agreement or any other agreements or documents related thereto, the financial condition or operations of the County, the terms and provisions of the Notes or other matters which may be immaterial to a credit decision to purchase the Notes. Note purchasers are expected to conduct their own due diligence and analysis prior to making an investment decision. Copies of all relevant documents may be examined at the office of the Finance and Administrative Services Department of the County during regular business hours. Copies of the Resolution, the Indenture and the Credit Agreement are also on file with US Bank Trust, N.A. (New York) and Goldman, Sachs & Co.

## **RATINGS**

Moody's Investors Service and Standard and Poor's Corporation have assigned their ratings of "P-1" and "A-1+," respectively to the Note. Any explanation of the significance of a rating may only be obtained from the rating agency issuing the same. The County furnished to such rating agency certain information and materials with respect to the Notes and itself, some of which is not included in this Offering Memorandum. Generally, rating agencies base their ratings on such information and materials and their own investigations, studies and assumptions. There is no assurance that the rating will remain in effect for any given period of time or that the rating may not be lowered or withdrawn entirely by the issuing rating agency, if, in its judgment, circumstances so warrant. Any such downward change or withdrawal may have an adverse affect on the market price of the Notes.

July 18, 2007

## APPENDIX A

### THE BANK

#### Dexia Credit Local

Dexia Credit Local (“Dexia”) is a subsidiary of the Dexia Group, which was created in 1996. The Dexia Group is a major European banking organization that is the product of several cross border mergers. Dexia is an authentically European bank in terms of both its management organization and the scope of its different lines of business. The Dexia Group is listed on the Brussels, Paris and Luxembourg stock exchanges. With a stock market capitalization of nearly 14 billion euros as of December 31, 2002, the Dexia Group ranks in the top third of the Euronext 100 companies.

Dexia specializes in the Dexia Group’s first line of business: public and project finance and financial services for the public sector. Dexia has recognized expertise in local public sector financing and project finance. It is backed by a network of specialized banks, which employ over 3,000 professionals. Through this network of subsidiaries, affiliates and branches, Dexia is present in almost all of the countries of the European Union as well as Central Europe and the United States of America. Dexia also has operations in Latin America, the Asian Pacific Region including Australia, and the countries around the Mediterranean.

Dexia is a bank with its principal office located in Paris, France. In entering into the Credit Agreement, Dexia will act through its New York Agency, which is licensed by the Banking Department of the State of New York as an unincorporated agency of Dexia Credit Local, Paris. Dexia is the leading local authority lender in Europe, funding its lending activities in 2002 primarily through the issuance of euro and U.S. dollar denominated bonds. In 2002, total funding raised by Dexia and Dexia Municipal Agency was 11.2 billion euros.

Dexia Group is the owner of Financial Security Assurance Holdings Ltd. (“FSA Holdings”), the holding company for Financial Security Assurance Inc. a leading financial guaranty insurer.

As of December 31, 2002, Dexia had total consolidated assets of 168.8 billion euros, outstanding medium and long term loans to customers of 141.8 billion euros and shareholders’ equity of nearly 3.4 billion euros (Tier I plus Tier II), and for the year then ended had consolidated net income of 454 million euros. These figures were determined in accordance with generally accepted accounting principles in France. Dexia maintains its records and prepares its financial statements in euros. At December 31, 2002, the exchange rate was 1.0000 euro equals 1.0492 United States dollar. Such exchange rate fluctuates from time to time.

Dexia is rated Aa2 long term and P 1 short term by Moody’s, AA long term and A 1+ short term by S&P, and AA+ long term and F1+ short term by Fitch.

Dexia will provide without charge a copy of its most recent publicly available annual report. Written requests should be directed to: Dexia Credit Local, New York Agency, 445 Park Avenue, 7th Floor, New York, New York 10022, Attention: General Manager. The delivery of this information shall not create any implication that the information contained or referred to herein is correct as of any time subsequent to its date.

## APPENDIX B

Following are the forms of Legal Opinions of Squire, Sanders & Dempsey L.L.P. relating to the Series A Notes, and the Series B Notes, respectively, delivered February 26, 1999, which opinions have not been revoked.

Broward County, Florida  
115 South Andrews Avenue  
Fort Lauderdale, Florida 33301

Re: Broward County, Florida Sales Tax Revenue  
Commercial Paper Notes, Series A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by Broward County, Florida (the "County"), of its Sales Tax Revenue Commercial Paper Notes, Series A (the "Series A notes"), issued on or after February 26, 1999 pursuant to the Indenture and Note Resolution hereinafter referred to, in a maximum principal amount at any time outstanding, together with the County's Sales Tax Revenue Commercial Paper Notes, Series B, and Sales Tax Revenue Commercial paper Notes, Series C, of not exceeding \$75,000,000.

The Series A Notes shall be dated the date of issuance thereof and are being issued in accordance with, and are subject to the terms and conditions set forth in, Resolution No. 89-3270 of the County adopted on September 26, 1989 and a Resolution of the County adopted on August 30, 1994 (collectively, the "Note Resolution"), and the Amended and Restated Indenture of Trust dated as of August 1, 1994, between the County and U.S. BankTrust, National Association (as successor to BankAmerica National Trust Company (New York)), as trustee (the "Trustee"), as supplemented and amended (the "Indenture"). All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The Series A Notes are being issued to finance the acquisition, construction and equipping of certain capital projects of the County. Pursuant to the Note Resolution and the Indenture, the principal of and interest on the Series A Notes will be payable from and secured by a lien upon the local government half-cent sales tax payable to the County pursuant to the provisions of Part VI, chapter 218, Florida Statutes, and certain investment income and other funds as described in the Indenture (collectively, the "Pledged Funds"). The principal of the Series A Notes will be additionally payable from amounts available under a Credit Agreement, dated as of February 1, 1999, between the County and Credit Local de France, acting through its New York Agency (the "Line of Credit") in accordance with the terms thereof, prior to the termination or expiration of the Line of Credit.

The Series A Notes and the obligations evidenced thereby do not constitute general obligations or indebtedness of the County within the meaning of the Constitution and laws of the State of Florida, but pursuant to the Note Resolution and the Indenture shall be payable solely from the Pledged Funds and, until the expiration or termination thereof, amounts available to be drawn under the Line of Credit. The holders of the Series A Notes shall never have the right to compel the exercise of the ad valorem taxing power of any political subdivision of the State of Florida or taxation in any form on any property to pay the Series A Notes or the interest thereon.

In rendering the opinions set forth below, we have examined a certified copy of the Note Resolution and an executed copy of the Indenture and are relying on the covenants and agreements of the County therein, including, without limitation, the County's covenant to comply

with the applicable requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended the applicable regulations thereunder (the "Code"), to the extent necessary to preserve the exclusion of interest on the Series A Notes from gross income for federal income tax purposes.

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

We have also examined opinions of Holland & Knight, Fort Lauderdale, Florida, as Bond Counsel to the County with respect to Series A Notes issued prior to October 14, 1992 and have assumed that the matters set forth therein are correct.

In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

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

(1) The Series A Notes, when issued in accordance with the Indenture, will be valid and legally binding special obligations of the County, payable from the Pledged Funds in accordance with the terms and conditions of the Indenture and additionally payable from amounts available under the Line of Credit, as specified above.

(2) Under existing law, the interest on the Series A Notes is excluded from gross income for federal income tax purposes. Moreover, such interest will not be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions expressed in the preceding sentences of this paragraph (2) are conditioned upon compliance by the County with all requirements of the Code that must be satisfied subsequent to issuance of the Series A notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The County has covenanted in the Indenture to comply with such requirements. Failure of the County to comply with such requirements could cause the interest on the Series A Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series A Notes.

Other provisions of the Code may give rise to adverse federal income tax consequences to particular holders of the Series A Notes. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal income tax consequences that may arise due to ownership of the Series A Notes.

(3) Under existing law, the Series A Notes are exempt from all intangible personal property taxes imposed by the State of Florida.

All opinions as to legal obligations of the County set forth above are subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar law, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) other applicable laws that may affect remedies, but do not, in our opinion, materially impair the practical realization of the benefits or the security of the parties entitled thereto.

This letter shall not be deemed or treated as an offering circular, prospectus or official statement, and it is not intended in any way to be viewed as a disclosure document used in connection with the sale or delivery of the Series A Notes.

We have not been engaged nor have we undertaken to review or verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of the Commercial Paper Annual Memorandum, or any exhibits or appendices thereto or any other offering material relating to the Series A Notes. In addition, other than as expressly set forth herein, we have not been engaged to and therefore express no opinion as to the validity or enforceability of the Line of Credit or the compliance by the County or the Dealer with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Series A Notes.

This opinion may be relied upon by the holders of Series A Notes, who may continue to rely on this opinion only to the extent that: (i) there is no change in existing regulations, Internal Revenue Service ruling positions or procedures or law that may adversely affect the validity of the Series A Notes or the exclusion of the interest thereon from the gross income for federal tax purposes of the holders thereof, (ii) the representations, agreements and covenants contained in the Indenture and the County's Certificate as to Arbitrage, Tax and Other Matters, as the same may be supplemented and amended from time to time with our knowledge and consent, remain true and accurate and are complied with, (iii) there has not been delivered to the County an opinion of this firm of more recent date with respect to the matters referred to herein, and (iv) this opinion has not been expressly withdrawn as evidenced by a letter to the County and the Trustee. Nothing contained in this letter shall be construed as any undertaking on our part to monitor any changes in applicable law or to monitor or confirm the accuracy of any such representations or warranties or compliance with any such agreements or covenants. In addition, we undertake no duty to expressly advise any Noteholder of any change or development of which we become aware that may adversely affect this letter.

Sincerely,

Broward County, Florida  
115 South Andrews Avenue  
Fort Lauderdale, Florida 33301

Re: Broward County, Florida Sales Tax Revenue  
Commercial Paper Notes, Series B

Ladies and Gentlemen:

We have acted as Bond counsel in connection with the issuance and sale by Broward County, Florida (the "County"), of its Sales Tax Revenue Commercial Paper Notes, Series B (the "Series B Notes"), issued on or after February 26, 1999 pursuant to the Indenture and Note Resolution hereinafter referred to, in a maximum principal amount at any time outstanding, together with the County's Sales Tax Revenue Commercial Paper Notes, Series A, and Sales Tax Revenue Commercial Paper Notes, Series C, of not exceeding \$75,000,000.

The Series B Notes shall be dated the date of issuance thereof and are being issued in accordance with, and are subject to the terms and conditions set forth in, Resolution No. 89-3270 of the County adopted on September 26, 1989 and a Resolution of the County adopted on August 30, 1994 (collectively, the "Note Resolution"), and the Amended and Restated Indenture of Trust dated as of August 1, 1994, between the County and U.S. BankTrust, National Association (as successor to BankAmerica National Trust Company (New York)), as trustee (the "Trustee"), as supplemented and amended (the "Indenture"). All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The Series B Notes are being issued to finance the acquisition, construction and equipping of certain capital projects of the County. Pursuant to the Note Resolution and the Indenture, the principal of and interest on the Series B Notes will be payable from and secured by a lien upon the local government half-cent sales tax payable to the County pursuant to the provisions of Part VI, Chapter 218, Florida Statutes, and certain investment income and other funds as described in the Indenture (collectively, the "Pledged Funds"). The principal of the Series B Notes will be additionally payable from amounts available under a Credit Agreement, dated as of February 1, 1999, between the County and Credit Local de France, acting through its New York Agency (the "Line of Credit") in accordance with the terms thereof, prior to the termination or expiration of the Line of Credit.

The Series B Notes and the obligations evidenced thereby do not constitute general obligations or indebtedness of the County within the meaning of the Constitution and laws of the State of Florida, but pursuant to the Note Resolution and the Indenture shall be payable solely from the Pledged Funds and, until the expiration or termination thereof, amounts available to be drawn under the Line of Credit. The holders of the Series B Notes shall never have the right to compel the exercise of the ad valorem taxing power of any political subdivision of the State of Florida or taxation in any form on any property to pay the Series B Notes or the interest thereon.

In rendering the opinions set forth below, we have examined a certified copy of the Note Resolution and an executed copy of the Indenture and are relying on the covenants and agreements of the County therein, including, without limitation, the County's covenant to comply with the applicable requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended the applicable regulations thereunder (the "Code"), to the extent necessary to preserve the exclusion of interest on the Series B Notes from gross income for federal income tax purposes.

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

We have also examined opinions of Holland & Knight, Fort Lauderdale, Florida, as Bond counsel to the County with respect to Series B Notes issued prior to October 14, 1992 and have assumed that the matters set forth therein are correct.

In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

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

(1) The Series B Notes, when issued in accordance with the Indenture, will be valid and legally binding special obligations of the County, payable from the Pledged Funds in accordance with the terms and conditions of the Indenture and additionally payable from amounts available under the Line of Credit, as specified above.

(2) Under existing law, the interest on the Series B Notes is excluded from gross income for federal income tax purposes except that no opinion is expressed as to the exclusion from gross income of such interest on a Series B Note for any period during which such Series B Note is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the Projects financed with the proceeds of the Series B Notes or a "related person" to a "substantial user." It should be noted that interest on the Series B Notes will be an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. The opinions expressed in the preceding sentences of this paragraph (2) are conditioned upon compliance by the County with all requirements of the Code that must be satisfied subsequent to issuance of the Series B Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The County has covenanted in the Indenture to comply with such requirements. Failure of the County to comply with such requirements could cause the interest on the Series B Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series B Notes.

Other provisions of the Code may give rise to adverse federal income tax consequences to particular holders of the Series B Notes. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal income tax consequences that may arise due to ownership of the Series B Notes.

(3) Under existing law, the Series B Notes are exempt from all intangible personal property taxes imposed by the State of Florida.

All opinions as to legal obligations of the County set forth above are subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) other applicable laws that may affect remedies, but do not, in our opinion, materially impair the practical realization of the benefits or the security of the parties entitled thereto.

This letter shall not be deemed or treated as an offering circular, prospectus or official statement, and it is not intended in any way to be viewed as a disclosure document used in connection with the sale or delivery of the Series B Notes.

We have not been engaged nor have we undertaken to review or verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of the Commercial Paper Annual Memorandum, or any exhibits or appendices thereto or any other offering material relating to the Series B Notes. In addition, other than as expressly set forth herein, we have not been engaged to and therefore express no opinion as to the validity or enforceability of the Line of Credit or the compliance by the County or the Dealer with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Series B Notes.

This opinion may be relied upon by the holders of Series B Notes, who may continue to rely on this opinion only to the extent that: (i) there is no change in existing regulations, Internal Revenue Service ruling positions or procedures or law that may adversely affect the validity of the Series B Notes or the exclusion of the interest thereon from the gross income for federal tax purposes of the holders thereof, (ii) the representations, agreements and covenants contained in the Indenture and the County's Certificate as to Arbitrage, Tax and Other Matters, as the same may be supplemented and amended from time to time with our knowledge and consent, remain true and accurate and are complied with, (iii) there has not been delivered to the County an opinion of this firm of more recent date with respect to the matters referred to herein, and (iv) this opinion has not been expressly withdrawn as evidenced by a letter to the County and the Trustee. Nothing contained in this letter shall be construed as any undertaking on our part to monitor any changes in applicable law or to monitor or confirm the accuracy of any such representations or warranties or compliance with any such agreements or covenants. In addition, we undertake no duty to expressly advise any Noteholder of any change or development of which we become aware that may adversely affect this letter.

Sincerely,