RESOLUTION NO. 2013-2

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE PORTOFINO SHORES COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $4,420,000 PORTOFINO SHORES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2013 (THE "BONDS") FOR THE PURPOSE OF DEFEASING ALL OR A PORTION OF THE PORTOFINO SHORES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2003A; DETERMINING THE NEED FOR A NEGOTIATED PRIVATE PLACEMENT OF THE BONDS TO BRANCH BANKING AND TRUST COMPANY (THE "BANK") AND PROVIDING FOR A DELEGATED AWARD OF SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, ESCROW DEPOSIT AGREEMENT AND A BOND PLACEMENT AGREEMENT; APPOINTING U.S. BANK NATIONAL ASSOCIATION AS TRUSTEE, PAYING AGENT, BOND REGISTRAR AND ESCROW DEPOSIT AGENT; APPOINTING MBS CAPITAL MARKETING, LLC PLACEMENT AGENT; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, AND PRIVATE PLACEMENT OF THE BONDS; MAKING CERTAIN DECLARATIONS; DESIGNATING THE BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" WITHIN THE MEANING OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Portofino Shores Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created pursuant to the provisions of Ordinance No. 02-030, duly enacted by the Board of County Commissioners of St. Lucie County, Florida, and effective on January 3, 2003; and

WHEREAS, the District was created for the purpose of delivering certain community development services and facilities within and outside its jurisdiction; and

WHEREAS, pursuant to Resolution No. 2003-15 adopted by the Board of Supervisors of the District (the "Board) on January 7, 2003, as supplemented by Resolution No. 2003-21, adopted by the Board on March 12, 2003 and that certain Trust Indenture dated as of March 1, 2003 (the "Prior Indenture"), by and between the District and SunTrust Bank (the "Original Trustee"), the District did issue its Special Assessment Bonds, Series 2003A (in the initial principal amount of $5,085,000 (the "Prior Bonds") to finance all or a portion of the 2003 Project (as such term is defined in the Prior Indenture); and

WHEREAS, U.S. Bank National Association has succeeded the Original Trustee as trustee for the Prior Bonds (the "Prior Trustee"); and

WHEREAS, pursuant to the 2013 Indenture (as defined below) and this Resolution, the District hereby determines to issue its Special Assessment Revenue Refunding Bonds, Series 2013 (the "2013 Bonds") in the aggregate principal amount of not exceeding $4,420,000 for the

primary purpose of defeasing the outstanding Prior Bonds (the principal amount of such outstanding Prior Bonds to be defeased is herein referred to as the "Refunded Bonds"); and

WHEREAS, based on a proposal (the "Proposal") in the form attached hereto as Exhibit A from Branch Banking and Trust Company, a North Carolina banking corporation (the "Bank"), the Bank will purchase, on a negotiated private placement basis, the Bonds to be issued by the District pursuant to the terms and provisions of the Bond Placement Agreement substantially in the form attached hereto as Exhibit B; and

WHEREAS, there has been submitted to this meeting with respect to the issuance and sale of the Bonds and submitted to the Board forms of:

(i) a Bond Placement Agreement with respect to the 2013 Bonds by and among MBS Capital Markets, LLC. as placement agent (the "Placement Agent"), the Bank and the District, together with the form of a disclosure statement attached to the Bond Placement Agreement pursuant to Section 218.385, Florida Statutes, substantially in the form attached hereto as Exhibit B (the "Placement Agreement"); and

(ii) a Trust Indenture by and between the District and the Current Trustee (as herein defined), substantially in the form attached hereto as Exhibit C (the "2013 Indenture"); and

(iii) an Escrow Deposit Agreement by and between the District and the Escrow Agent (as herein defined) substantially in the form attached hereto as Exhibit D (the "Escrow Agreement"); and

WHEREAS, the District does not intend to issue more than $10,000,000 of tax-exempt debt in calendar year 2013 and, therefore, the Board hereby designates the 2013 Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Portofino Shores Community Development District, as follows:

Section 1: Negotiated Private Placement. The Board hereby finds that the complex nature of assessment bond financings, the favorable terms of the Proposal, and the volatile conditions prevailing in the market for municipal bonds makes it necessary and in the best interest of the District that the 2013 Bonds, in the aggregate principal amount of not exceeding $4,420,000, be privately placed on a negotiated basis to the Bank pursuant to the terms of the Placement Agreement. The District hereby further finds that it will not be adversely affected if the 2013 Bonds are not sold pursuant to a competitive sale.

Section 2: Sale of the 2013 Bonds. That except as otherwise provided in the last sentence of this Section 2, the Proposal submitted by the Bank to purchase the 2013 Bonds on the conditions established pursuant to the parameters set forth below and on the terms and conditions set forth in the Placement Agreement (the form of which is attached hereto as Exhibit B) with respect to the 2013 Bonds, are hereby approved and adopted by the District. Subject to the last sentence of this Section 2, the Chairperson (or, in the absence of the Chairperson, any other member of the Board) is hereby authorized to execute and deliver on behalf of the District, and the Secretary of the District is hereby authorized (if so required) to affix the seal of the

District and attest to the execution of the Placement Agreement substantially in the form presented at this meeting. The disclosure statements of the Bank, as required by Section 218.385, Florida Statutes, to be delivered to the District prior to the execution of the Placement Agreement, will be entered into the official records of the District. The Placement Agreement, when in final form, as determined by counsel to the District, may be executed and implemented, as the case may be, by the District without further action provided that (i) the initial interest rate on the 2013 Bonds does not exceed 3.68%; (ii) the principal amount of 2013 Bonds shall not exceed $4,420,000; (iii) the final maturity of the 2013 Bonds shall not be later than May 1, 2033; and (iv) the terms of the 2013 Bonds are consistent with the terms of the Proposal.

Section 3: Purpose and Authorization. The Board further authorizes the defeasance of the Refunded Bonds with a portion of the proceeds of the 2013 Bonds, to fund a Debt Service Reserve Account in the maximum amount required by the Proposal and to pay the costs of issuing the 2013 Bonds.

Section 4: Details of the 2013 Bonds. That the proceeds of the 2013 Bonds shall be applied in accordance with the provisions of the 2013 Indenture to be entered into by and between the District and U.S. Bank National Association, as the current trustee, paying agent and bond registrar (the "Current Trustee"). The 2013 Bonds shall mature in the amounts, bear interest at the rate, and be subject to redemption, all as provided in the 2013 Indenture. The execution of the 2013 Indenture shall constitute approval of such terms as set forth in this Section 4. The maximum aggregate principal amount of the 2013 Bonds authorized to be issued pursuant to this Resolution shall not exceed $4,420,000.

Section 5: 2013 Indenture. The District hereby approves and authorizes the execution by the Chairperson or any other member of the Board and the Secretary, or any Assistant Secretary, of the Board and the delivery of the 2013 Indenture in substantially the form attached hereto as Exhibit C, with such changes therein as shall be approved by the Chairperson or any other member of the Board executing the same upon the advice of counsel to the District and the District's Bond Counsel, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of 2013 Indenture attached hereto.

Section 6: Bank Qualified Bonds. The 2013 Bonds are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

Section 7: Escrow Deposit Agreement. The District hereby approves and authorizes the execution by the Chairperson or any other member of the Board, and the Secretary, or any Assistant Secretary of the Board, and delivery of that certain Escrow Deposit Agreement by and between the District and Escrow Agent (as herein defined) in substantially the form attached hereto as Exhibit D, with such changes therein as shall be approved by the Chairperson or any other member of the Board executing the same upon the advice of counsel to the District and the District's Bond Counsel, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any change therein from the form of the Escrow Deposit Agreement attached hereto.

Section 8: Appointments. The Board hereby appoints U.S. Bank National Association as trustee, paying agent and bond registrar under the 2013 Indenture (collectively, the "Current Trustee"). The Board also appoints U.S. Bank National Association to serve as escrow agent (the "Escrow Agent") under the Escrow Deposit Agreement. In addition, the Board ratifies the appointment of MBS Capital Markets, LLC to serve as placement agent under the Placement

Agreement (the "Placement Agent") in connection with the negotiated private placement of the 2013 Bonds.

Section 9: Authorization and Ratification of Prior Acts. All actions previously taken by or on behalf of District in connection with the issuance of the 2013 Bonds are hereby authorized, ratified and confirmed.

Section 10: Further Official Action. That the Chairperson, the Secretary, or any Assistant Secretary and each member of the Board and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chairperson or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District herein authorized. The Secretary or any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation.

Section 11: Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

PASSED in public session of the Board of Supervisors of Portofino Shores Community Development District, this 5h day of March, 2013.

ATTEST:

By: _____
Name: Richard Hart
Title: Secretary, Board of Supervisors

PORTOFINO SHORES COMMUNITY DEVELOPMENT DISTRICT

By: _____
Name: Henry L. Schmitz Jr.
Title: Chairperson, Board of Supervisors