

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20041180

1. REQUESTED MOTION:

ACTION REQUESTED: Authorize the Chairman or Vice Chairman to sign a resolution for the authorization, Execution and delivery of a Bond Purchase Agreement that meets certain specific criteria in connection with the Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004. Authorize other approvals as necessary contained in this resolution.

WHY ACTION IS NECESSARY: Allows greater flexibility in marketing the Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004.

WHAT ACTION ACCOMPLISHES: Allows the Bond Purchase Agreement to be signed (if the bonds are sold) without reconvening the Board of County Commissioners.

**2. DEPARTMENTAL CATEGORY:
COMMISSION DISTRICT #**

AIA

3. MEETING DATE:

09-28-2004

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

**5. REQUIREMENT/PURPOSE:
(Specify)**

- STATUTE
- ORDINANCE
- ADMIN. CODE
- OTHER

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER _____
- B. DEPARTMENT County Administration
- C. DIVISION Budget Services

BY: Antonio Majul, Budget Director

Amajul

7.BACKGROUND: On August 10, 2004, the Board of County Commissioners authorized County Administration to pursue preparation of documents and selection of underwriters for the possible refunding of the Local Option Gas Tax Refunding Revenue Bonds, Series 1995 (Blue Sheet #20040975) The Series 1995 Bonds were used to construct grade separations at Del Prado and Veterans Parkway in Cape Coral and Colonial Boulevard/US41. Proceeds from this bond issue were also used for road-widening improvements relating to the approach roads to the Midpoint Bridge. The Series 2004 Bonds would be issued to refund the Series 1995 bonds for savings.

On September 7, 2004, the Board of County Commissioners approved the underwriter selection of Bear Stearns & Company, Inc.(Senior Manager), Lehman Brothers (Co-Manager) and Siebert, Brandford Shank & Co. LLC (Co Manager MBE/WBE) – Blue Sheet #20041051.

BACKGROUND Continued on Page 2.

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
<i>Amajul</i> <i>9/14/04</i>				<i>[Signature]</i> <i>9/15/04</i>	OA <i>[Signature]</i> <i>9/15/04</i>	OM <i>[Signature]</i> <i>9/17/04</i>	Risk <i>[Signature]</i> <i>9/15/04</i>	GC <i>[Signature]</i> <i>9/15/04</i>	<i>[Signature]</i> <i>HAS</i> <i>9-16-04</i>

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

RECEIVED BY
COUNTY ADMIN:
9/15/04
9:29 am SL
COUNTY ATTY
FORWARDED:
9/16/04
4:30

Rec. by CoAtty
Date: *9/14/04*
Time: *4:40PM*
Forwarded To:
Budget
9/15/04 8:40am

Blue Sheet #20041180 Continued

These bonds will be sold when specific criteria can be met in the market place. The governing body generally should approve bond sales within a maximum of 48 hours. This agenda item will allow the implementation of a Delegating Resolution that gives the authorization to the Chairman or Vice Chairman to execute the Bond Purchase Agreement without a meeting of the BOCC. This allows greater flexibility in selecting the most appropriate day of the week depending upon the changes in the market.

The Delegating Resolution specifies certain conditions that must be met. For the Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004 the following criteria are included:

The issue cannot exceed \$30,000,000;

The Net Present Value Savings must be at least 3.00% of the par amount of the refunded bonds;

The Underwriter's Discount cannot exceed \$2.978 per bond or .2978% of the par amount of the Series 2004 Bonds;

True Interest Cost (TIC) cannot exceed 5.00% per annum;

The first call date cannot be later than October 1, 2014;

The final maturity cannot be later than October 1, 2020;

Call premium cannot exceed 1.0% of the Series 2004 Bonds to be redeemed;

The Purchase contract shall be executed on behalf of the Issuer by the Chairman on or before December 31, 2004;

Receipt by the BOCC Chairman of a disclosure statement and a truth-in-bonding statement of the Underwriter;

Receipt of a good faith deposit in the amount no less than 1% of the par amount;

The BOCC Chairman has the authority to determine which maturities will be refunded with the assistance and advice of the Financial Advisor.

This resolution also authorizes the execution and delivery of the Official Statement (OS), appoints the paying agent and registrar for the bonds, authorizes execution and delivery of an escrow deposit agreement and appoints an escrow agent and a verification agent, approves the execution and delivery of a continuing disclosure certificate and authorizes purchase of municipal bond insurance as well as an effective date for the bonds.

The Bond Counsel is Squires, Sanders and Dempsey LLP and the Disclosure Counsel is Nabors, Giblin & Nickerson, PA.

RESOLUTION NO. _____

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 95-06-62 OF THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA ADOPTED ON JUNE 27, 1995, AS PREVIOUSLY SUPPLEMENTED; AUTHORIZING THE REFUNDING OF A PORTION OF THE ISSUER'S OUTSTANDING FIVE CENT LOCAL OPTION GAS TAX REVENUE BONDS SERIES 1995; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$30,000,000 FIVE CENT LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS, SERIES 2004, OF THE COUNTY TO FINANCE THE COST THEREOF; PROVIDING FOR THE PAYMENT OF THE SERIES 2004 BONDS FROM CERTAIN LOCAL OPTION GAS TAX REVENUES DESCRIBED HEREIN, MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AUTHORIZING A NEGOTIATED SALE OF THE SERIES 2004 BONDS; DELEGATING TO THE CHAIRMAN OF THE BOARD OF COUNTY COMMISSIONERS THE AUTHORITY TO DETERMINE THE DATE OF SALE, AND THE DETAILS OF THE SERIES 2004 BONDS, AND THE PARTICULAR SERIES 1995 BONDS TO BE REFUNDED AND TO EXECUTE A BOND PURCHASE CONTRACT; AUTHORIZING THE OFFICERS AND OFFICIALS OF THE ISSUER TO EXECUTE AND DELIVER THE SERIES 2004 BONDS AND SUCH AGREEMENTS AND CERTIFICATES AS ARE NECESSARY AND DESIRABLE IN CONNECTION WITH THE SALE, ISSUANCE AND DELIVERY OF THE SERIES 2004 BONDS; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA:

ARTICLE I

DEFINITIONS, AUTHORITY AND FINDINGS

Section 1.01 Definitions. Unless the context otherwise requires, capitalized terms used in this Resolution shall have the meanings specified in this Section. Terms not otherwise defined in this Section shall have the meanings specified in the Original Bond Resolution (defined below). Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

Section 1.02 Authority for this Resolution. This resolution is adopted pursuant to the provisions of the Act and the Original Bond Resolution and is supplemental to the Original Bond Resolution.

“Board” means the Board of County Commissioners of Lee County, Florida.

“Bond Resolution” means, collectively, the Original Bond Resolution, as supplemented by this Resolution.

“Bond Registrar and Paying Agent Agreement” means an agreement between the Issuer and the Paying Agent providing for the authentication of, and payment of the principal of, premium, if any, and interest on, the Series 2004 Bonds and shall be substantially in the form of Exhibit F hereto, with such modifications thereto, not inconsistent herewith as shall be approved by the Chairman, such approval to be presumed by the Chairman’s execution thereof.

“Book-Entry Form” or “Book-Entry Consolidated System” means a form or system, as applicable, under which (i) Series 2004 Bonds are issued to a Depository or to its nominee, as Registered Owner, (ii) Series 2004 Bonds are held by and “immobilized” in the custody of such Depository, and (iii) records are maintained by the Depository and/or other persons to identify and record the transfer of beneficial interests in the Series 2004 Bonds.

“Call Date” with respect to the Refunded Bonds means October 1, 2005.

“Commitments” means, collectively, the Commitments for the 2004 Policy and the 2004 Reserve Account Insurance Policy issued by the 2004 Insurer to the County.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate to be entered into by the County in order to enable the Underwriters to comply with the provisions of the Rule.

“County” means Lee County, Florida, which shall also mean the “Issuer” under the Original Bond Resolution.

“Credit Facility” means, with respect to the Series 2004 Bonds, the 2004 Policy.

“Insurer” means, with respect to the Series 2004 Bonds, the 2004 Insurer.

“Depository” means any securities depository that is operating and maintaining, with its participants or otherwise, a Book-Entry Consolidated System to record ownership of beneficial interests in Series 2004 Bonds or debt service on Series 2004 Bonds and to effect transfers of Series 2004 Bonds in Book-Entry Form, including, but not limited to, DTC.

“DTC” means The Depository Trust Company, New York, New York, a securities depository.

“Escrow Deposit Agreement” means the agreement by and between the Issuer and the Escrow Holder, which agreement shall provide for the holding in trust of moneys and Refunding Securities sufficient to pay the principal of and interest on the Refunded Bonds on the Call Date and shall be in substantially the form of Exhibit D hereto, with such modifications thereto not inconsistent herewith, as shall be approved by the Chairman, such approval to be presumed by the Chairman’s execution thereof.

“Escrow Holder” means _____, or any other bank or trust company, which may be located within or without the State, holding a portion of the

proceeds of the sale of the Series 2004 Bonds in trust pursuant to the provisions of the Escrow Deposit Agreement, to be applied to pay the principal of, premium, and interest on the Refunded Bonds.

“Letter of Representations” means the blanket letter agreement dated May 3, 1995 between the County and DTC with respect to publicly offered securities issued by the County in book-entry only form.

“Original Bond Resolution” means Resolution No. 95-06-62, adopted by the Board on June 27, 1995, as supplemented from time to time, pursuant to which the Outstanding Bonds were issued and are outstanding.

“Outstanding Bonds” means the Issuer’s outstanding Five Cent Local Option Gas Tax Revenue Bonds, Series 1995.

“Paying Agent” and “Registrar” mean _____, or its successor.

“Purchase Contract” means the Bond Purchase Contract between the Issuer and the Underwriters setting forth the conditions upon which the Series 2004 Bonds will be sold by the Issuer and purchased by the Underwriters and the details of the Series 2004 Bonds, in substantially the form of Exhibit E hereto, with such modifications thereto not inconsistent herewith, as shall be acceptable to the Chairman, with the advice of the Issuer’s Financial Advisor.

“Refunded Bonds” means all or a portion of the Outstanding Bonds maturing on or after October 1, 2006, the specific bonds to be refunded to be selected by the Chairman in such manner as he shall determine with the advice of the Underwriters and the Issuer’s Financial Advisor pursuant to Section 5.01 hereof.

“Refunding” means the providing for payment of the Refunded Bonds by the deposit with the Escrow Holder of a portion of the proceeds of the Series 2004 Bonds and other moneys necessary to pay in full the principal and on the Refunded Bonds.

“Refunding Costs” means but shall not necessarily be limited to: the cost of payment of the principal of, premium, if specified, and interest on the Refunded Bonds; expenses for estimates of costs and of revenues; the fees of fiscal agents, financial advisors and consultants; administrative expenses; the establishment of reasonable reserves for the payment of debt service on the Series Bonds; discount upon the sale of the Series 2004 Bonds; the expenses and costs of issuance of the Series 2004 Bonds; the cost of purchasing any Credit Facility or Reserve Account Insurance Policy with respect to the Series 2004 Bonds; such other expenses as may be necessary or incidental to the financing authorized by the Bond Resolution, to the Refunding, and to the accomplishing thereof, and reimbursement to the Issuer for any sums expended for the foregoing purposes.

“Rule” means Rule 15c2-12 of the Securities and Exchange Commission.

“Series 2004 Bonds” mean the Issuer’s Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004, originally issued pursuant to this Resolution and the Original Bond Resolution.

“2004 Insurer” means _____, or any successor thereto.

“2004 Policy” means the Municipal Bond New Issue Insurance Policy to be issued by the 2004 Insurer.

“2004 Reserve Account Insurance Policy” means the debt service reserve surety policy to be issued by the 2004 Insurer in satisfaction of the Reserve Account Requirement for the Series 2004 Bonds.

“2004 Reserve Account Insurance Policy Agreement” means the [Guaranty] Agreement between the Issuer and the 2004 Insurer relating to the 2004 Reserve Account Insurance Policy.

“Underwriters” means, collectively, Bear, Stearns & Co., Inc., Lehman Brothers and Siebert Brandford Shank & Co., LLC, as the initial purchaser of the Series 2004 Bonds.

Section 1.03 Findings. It is hereby ascertained, determined and declared by the Board that:

A. The Board has previously adopted the Original Bond Resolution and therein provided for the issuance from time to time of obligations of the Issuer secured by and payable from the Pledged Funds.

B. It is necessary and desirable and in the best interests of the Issuer and its inhabitants that the Issuer undertake the Refunding of the Refunded Bonds to achieve debt service savings.

C. Section 5.02 of the Original Bond Resolution provides for the issuance of Additional Bonds to refund Outstanding Bonds under the terms, limitations and conditions provided therein. Upon issuance, the Series 2004 Bonds shall be on a parity and rank equally as to lien on and source and security for payment from the Pledged Funds with any unrefunded portion of the Outstanding Bonds.

D. The principal of, premium, if any, and interest on the Series 2004 Bonds and all required sinking fund, reserve and other payments will be payable solely from (i) the Pledged Funds, as defined in the Original Bond Resolution, on a parity with the lien thereon in favor of the unrefunded Outstanding Bonds. The Issuer will never be required to levy ad valorem taxes on any property therein to pay the principal of and interest on the Series 2004 Bonds or to make any other payments provided for herein or in the Original Bond Resolution. The Series 2004 Bonds will not constitute a lien upon any properties owned by the Issuer or located within the boundaries of the Issuer, but will be secured solely by a lien upon and pledge of the Pledged Funds in the manner provided in the Original Bond Resolution, this Resolution, and any resolution amendatory thereof or hereof. The Pledged Funds are not now pledged in any manner except to the payment of the Outstanding Bonds.

E. The Issuer has received the Commitments from the 2004 Insurer for the issuance of the 2004 Policy and the 2004 Reserve Account Insurance Policy, and it is in the best interests of the Issuer to purchase (i) the 2004 Policy in order to reduce the present value of the debt service requirements with respect to the Series 2004 Bonds and (ii) the 2004 Reserve Account Insurance Policy to satisfy the Reserve Account Requirement for the Series 2004 Bonds.

F. Based upon the Commitment for the 2004 Policy, the Issuer expects to receive from Standard & Poor's Ratings Services, New York, New York, and Fitch, Inc., New York, New York, at or prior to the issuance of the Series 2004 Bonds, bond ratings in the highest classification.

G. It is necessary, desirable, and in the best interest of the health, safety, and welfare of the Issuer and its inhabitants that the Series 2004 Bonds be offered and sold at negotiated sale in order that the Issuer may achieve optimum timing of the sale of the Series 2004 Bonds and maximum benefit from pre-marketing of the Series 2004 Bonds and thereby minimize the likelihood of paying higher interest rates on the Series 2004 Bonds which could result from a sale of the Series 2004 Bonds through advertisement.

H. The Underwriters were selected on the basis of a competitive selection process which selection is herein ratified, confirmed and approved.

I. Inasmuch as the Issuer desires to sell the Series 2004 Bonds at the most advantageous time and not wait for a scheduled meeting of the Board, so long as the herein described parameters are met, the Issuer hereby determines to delegate the power and authority to award and sell the Series 2004 Bonds to the Chairman. In furtherance of such delegation, it is in the best interests of the Issuer to authorize the Chairman to execute a Purchase Contract for the sale of the Series 2004 Bonds on behalf of the Issuer, subject to certain conditions, in order to enable the timely sale and award of the Series 2004 Bonds.

J. It is necessary and desirable in connection with the issuance and delivery of the Series 2004 Bonds to the Underwriters (1) to authorize the execution and delivery to the Underwriters, upon payment therefor in accordance with the provisions of the Purchase Contract, of the Series 2004 Bonds in definitive form; (2) to authorize the execution and delivery on behalf of the Issuer of a Bond Registrar and Paying Agent Agreement, an Escrow Deposit Agreement and a Continuing Disclosure Certificate; (3) to authorize the execution and delivery of a tax compliance certificate and certificates as are usual and customary in connection with the delivery of bonds; and (4) to authorize the taking of such further action by the Chairman, Clerk, and Issuer officers and officials and others employed by or acting on behalf of the Issuer as is necessary to effect the issuance and delivery of the Series 2004 Bonds and the application of the proceeds thereof to the payment of the Refunding Costs.

ARTICLE II

AUTHORIZATION OF ISSUANCE OF SERIES 2004 BONDS; DESCRIPTION, DETAILS AND FORM OF SERIES 2004 BONDS

Section 2.01 Authorization of Refunding. The Issuer hereby authorizes the Refunding. The Issuer hereby specifically ratifies and affirms all actions previously taken in furtherance of the undertaking of the Refunding.

Section 2.02 Authorization of Series 2004 Bonds. Subject and pursuant to the provisions of this Resolution and the Original Bond Resolution, special, limited obligations of the Issuer, designated "Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004," offered and sold in an aggregate principal amount not to exceed \$30,000,000 (exclusive of original issue discount), for the purpose of financing the Refunding Costs.

Section 2.03 Description of Series 2004 Bonds. The Series 2004 Bonds shall be numbered; shall be dated; shall bear interest at the rates, not exceeding the maximum legally permitted rate, payable on the dates; shall mature as to principal on the dates and in the amounts; shall be subject to redemption prior to maturity; and shall have such other characteristics, not inconsistent with the requirements of the Original Bond Resolution and of Section 5.01 hereof, as shall be specified in the Purchase Contract.

Section 2.04 Book-Entry System. Notwithstanding the provisions set forth in the Original Bond Resolution, the Series 2004 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2004 Bond for each of the maturities of the Series 2004 Bonds. Upon initial issuance, the ownership of each such Series 2004 Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. As long as the Series 2004 Bonds shall be registered in the name of Cede & Co., all payments on the Series 2004 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Registered Owner of the Series 2004 Bonds.

With respect to Series 2004 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (a "Participant"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2004 Bonds, (B) the delivery to any Participant or any other person other than a Series 2004 Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2004 Bonds, or (C) the payment to any Participant or any other person, other than a Series 2004 Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal or interest of the Series 2004 Bonds. The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Series 2004 Bond for the purpose of payment of principal or interest with respect to such Series 2004 Bond, for the purpose of giving notices and other matters with

respect to such Series 2004 Bond, for the purpose of registering transfers with respect to such Series 2004 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal or interest of the Series 2004 Bonds only to or upon the order of the respective holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and in the Resolution and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal or interest of the Series 2004 Bonds to the extent of the sum or sums so paid. No person other than a registered Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2004 Bond evidencing the obligation of the Issuer to make payments of principal or interest pursuant to the provisions hereof. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in the Original Bond Resolution with respect to transfers during the certain periods next preceding a payment date or a redemption date, the words "Cede & Co." in the Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the outstanding Series 2004 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2004 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer that such book-entry only system should be discontinued by the Issuer, and compliance with the requirements of any agreement between the Issuer and DTC with respect thereto, the Series 2004 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but shall be registered in whatever name or names holders shall designate, in accordance with the provisions of the Resolution. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Series 2004 Bonds consistent with the terms of the Resolution, in denominations of \$5,000 or any integral multiple thereof to the holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Letter of Representations shall apply to the payment of principal and interest on the Series 2004 Bonds.

Section 2.05 Form of Series 2004 Bonds. The text of the Series 2004 Bonds shall be in substantially the form of Exhibit A hereto, with such omissions, insertions, and variations as may be necessary and desirable, and as may be authorized or permitted by the Bond Resolution.

ARTICLE III

APPLICATION OF SERIES 2004 BOND PROCEEDS

Section 3.01 Application of Series 2004 Bond Proceeds. The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Series 2004

Bonds shall be applied by the Issuer in the following manner and order of priority, simultaneously with their delivery to the Underwriter, as follows:

A. The accrued interest shall be deposited into the Interest Account within the Debt Service Fund, created and established by the Original Bond Resolution, and shall be used only for the purpose of paying interest becoming due on the Series 2004 Bonds on the first Interest Date following their issuance.

B. The sum specified in the Escrow Deposit Agreement which, together with the other moneys described in the Escrow Deposit Agreement to be deposited in escrow, and together with the investment income thereon, will be sufficient to pay the principal of, interest and redemption premiums, if applicable, on the Refunded Bonds as the same shall become due or may be redeemed or prepaid, shall be deposited with the Escrow Holder to be applied pursuant to the Escrow Deposit Agreement.

C. To the extent not paid or reimbursed therefor by the Underwriters, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2004 Bonds, including the premiums for the 2004 Policy and the 2004 Reserve Account Insurance Policy.

D. Any proceeds remaining after the application provided above, shall be deposited into the Interest Account of the Debt Service Fund and applied to pay interest on the Series 2004 Bonds on the first Interest Date.

ARTICLE IV

APPLICATION OF PROVISIONS OF ORIGINAL BOND RESOLUTION

Section 4.01 Application of Provisions of the Original Bond Resolution. The Series 2004 Bonds shall, for all purposes, be considered to be Additional Bonds issued under the authority of the Original Bond Resolution and shall be entitled to all the protection and security provided therein for the Outstanding Bonds. The covenants and pledges contained in the Original Bond Resolution shall be applicable to the Series 2004 Bonds herein authorized in like manner as applicable to the Outstanding Bonds.

Section 4.02 Remedies. Any 2004 Bondholder of, or any Insurer for, Series 2004 Bonds shall have available the remedies specified in the Original Bond Resolution.

Section 4.03 Satisfaction of the Reserve Account Requirement for the Series 2004 Bonds. There is hereby authorized to be credited, in lieu of a deposit of bond proceeds, revenue or other moneys, to the Reserve Account created under the Original Bond Resolution, the 2004 Reserve Account Insurance Policy. The Reserve Account under the Original Bond Resolution is a common debt service reserve fund and shall secure the Series 2004 Bonds and all Additional Bonds issued under the Original Bond Resolution from time to time, except as may be otherwise provided by Supplemental Resolution. The Outstanding Parity Bonds are secured by a separate subaccount within the Reserve Account and will not be secured by the 2004 Reserve Account Surety Policy.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01 Delegation of Authority to Determine Date of Sale and Details of Series 2004 Bonds and to Execute Purchase Contract; Conditions to Exercise of Authority. The selection of the Underwriters is hereby ratified, approved and confirmed. The Chairman is hereby, subject to the conditions hereinafter set forth, authorized and empowered to determine the date of sale, amount, maturity dates, interest rates, dated date, redemption provisions and other details of the Series 2004 Bonds, and to execute the Purchase Contract on behalf of the Issuer and to deliver an executed copy thereof to the Underwriters. This delegation of authority is expressly made subject to the conditions set forth in Exhibit B hereto, the failure of any of which shall render the Purchase Contract voidable at the option of the Issuer.

At or prior to the sale of the Series 2004 Bonds, the Chairman is hereby authorized to determine and select the principal amounts and maturities of the outstanding Bonds to be refunded.

Section 5.02 Preliminary Official Statement. The Issuer hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as Exhibit "C" in connection with offering the Series 2004 Bonds for sale. The Chairman is hereby authorized to make such amendments, changes and modifications to the Preliminary Official Statement as deemed necessary to reflect the provisions of the Series 2004 Bonds. The Chairman is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") in the form as mailed. Execution of a certificate by the Chairman deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

Section 5.03 Official Statement. Subject in all respects with the satisfaction of the conditions set forth in Section 5.02 hereof, the Chairman is hereby authorized and directed to execute and deliver a final Official Statement, which shall be in substantially the form of the Preliminary Official Statement, in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, modifications, omissions and additions as shall be necessary to reflect the terms and provisions of the Series 2004 Bonds as set forth in the Purchase Contract. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Chairman, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2004 Bonds to the public. Execution by the Chairman of the Official Statement shall be deemed conclusive evidence of approval of such changes, amendments, modifications, omissions and additions.

Section 5.04 Appointment of Registrar and Paying Agent and Escrow Holder. _____ is hereby designated Registrar and Paying Agent for the Series 2004 Bonds and Escrow Holder for the Refunded Bonds. The Chairman and the Clerk are hereby authorized to enter into the Bond Registrar and Paying Agent Agreement and the Escrow Deposit Agreement.

Section 5.05 Secondary Market Disclosure. Subject in all respects to the satisfaction of the conditions set forth in Section 5.01 hereof, the Issuer hereby covenants and agrees that, in order to provide for compliance by the Issuer with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Certificate shall be substantially in the form of Exhibit "H" hereto with such changes, amendments, modifications, omissions and additions as shall be approved by the Chairman who is hereby authorized to execute and delivery such Certificate. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Bond Resolution; provided, however, to the extent permitted by law, the sole and exclusive remedy of any Series 2004 Bondholder for the enforcement of the provisions of the Continuing Disclosure Certificate shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations under this Section 24 and the Continuing Disclosure Certificate. For purposes of this Section 5.05, "Series 2004 Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2004 Bonds (including persons holding such Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any such Bond for federal income tax purposes.

Section 5.06 Further Action to Deliver Series 2004 Bonds Authorized. The execution and delivery to the Underwriter, upon payment therefor in accordance with the provisions of the Purchase Contract, of the Series 2004 Bonds in definitive form is hereby approved. The execution and delivery on behalf of the Issuer of a Tax Compliance Certificate and a Continuing Disclosure Certificate; and such other closing agreements, documents, and certificates as are usual and customary in connection with the delivery of Bonds are hereby approved. The taking of such further action by the Chairman, Clerk, County Administrator, County Attorney and others employed by or acting on behalf of the Issuer, as is necessary to effect the sale, issuance and delivery of the Series 2004 Bonds and the application of the proceeds thereof to the payment of the Refunding Costs and the consummation of the Refunding is hereby authorized and approved.

Section 5.07 Credit Facility Provisions.

A. Commitment. The acceptance of the Commitments are hereby approved, ratified and confirmed. In consideration of the 2004 Insurer's agreement to provide the 2004 Policy and the 2004 Reserve Account Insurance Policy, the Issuer agrees that it will comply with the additional provisions set forth in Exhibit G hereto.

B. 2004 Policy and Payment. There shall be printed on the back of each Series 2004 Bond a statement to the effect that payment of the principal of and interest thereon is insured by the 2004 Insurer under the 2004 Policy, and the proper officers of the Issuer are hereby authorized and directed to pay or cause to be paid to the 2004 Insurer the premiums stated in the Commitments upon the delivery of the 2004 Policy and the 2004 Reserve Account Insurance Policy.

C. 2004 Reserve Account Insurance Policy Agreement. In order to provide for the reimbursement to the 2004 Insurer of any draws under the 2004 Reserve Account Insurance Policy, the Chairman and the Clerk are hereby authorized to enter into the 2004 Reserve Account Insurance Policy Agreement, which agreement shall be in substantially the form required under the Commitments, with such changes as are approved by the Chairman, such approval to be conclusively presumed by the Chairman's execution thereof.

Section 5.08 Redemption of Refunded Bonds. The Refunded Bonds are hereby irrevocably called for redemption, subject only to the issuance of the Series 2004 Bonds.

Section 5.09 Non-Presentation of Series 2004 Bonds. Notwithstanding anything in the Original Bond Resolution to the contrary, in the event that any Series 2004 Bonds shall not be presented for payment when the principal thereof, and premium, if any, becomes due in whole or in part, either at stated maturity, by redemption or otherwise in the event a check or draft for interest is uncashed, and if moneys sufficient to pay the principal, and premium, if any, then due on that Series 2004 Bond or to pay such check or draft shall have been made available to any Paying Agent for the benefit of the Holder thereof, then all liability of the Issuer to that Holder for such payment of the principal, and premium, if any, then due on the Series 2004 Bond or on such check or draft thereupon shall, except as hereafter provided, cease and be discharged completely. Thereupon, it shall be the duty of the Paying Agent to hold those moneys, without liability for interest thereon, for the exclusive benefit of the Person entitled thereto, who shall be restricted thereafter exclusively to those moneys for any claim of whatever nature on its part hereunder or under the Bond or with respect to, the principal, and premium, if any, then due on that Bond or on such check or draft.

Any of those moneys which shall be so held by any Paying Agent, and which remain unclaimed by the Holder of a Series 2004 Bond not presented for payment or check or draft not cashed for a period of five (5) years after the due date of such Series 2004 Bond or the date of such check or draft, as the case may be, shall be applied as provided in Chapter 717, Florida Statutes, as amended. Thereafter, the Holder of that Bond or check or draft shall have only such rights as are provided under Chapter 717, Florida Statutes as amended, and neither the Paying Agent nor the Issuer shall have any responsibility with respect to those moneys.

Section 5.10 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution should be held to be contrary to any express provision of law or to be contrary to the policy of express law, though not expressly prohibited, or to be against public policy, or should for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements, or provisions of, and in no way affect the validity of, all the other provisions of the Original Bond Resolution, this Resolution, or the Series 2004 Bonds.

Section 5.11 Repealing Clause. All resolutions of the Issuer in conflict with the provisions of this Resolution are, but only to the extent of such conflict, hereby superseded and repealed.

Section 5.12 Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED ON THIS ____ DAY OF _____, 2004.

BOARD OF COUNTY COMMISSIONERS
LEE COUNTY, FLORIDA

[SEAL]

By: _____
CHAIRMAN

ATTEST:

CLERK OF THE CIRCUIT COURT, IN
AND FOR LEE COUNTY, FLORIDA,
EX OFFICIO CLERK OF THE BOARD
OF COUNTY COMMISSIONERS OF
LEE COUNTY, FLORIDA

Approved as to Form and Legal Sufficiency:

AS COUNTY ATTORNEY

EXHIBIT A

FORM OF SERIES 2004 BOND

No. R-__

\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
LEE COUNTY
FIVE CENT LOCAL OPTION GAS TAX REFUNDING REVENUE BOND
SERIES 2004

<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUE</u>	<u>CUSIP</u>
%	October 1, _____	_____, 2004	

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS, that the Issuer of Lee County, Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on the Maturity Date specified above, the Principal Amount shown above, upon presentation and surrender hereof at the corporate trust office of _____, as Registrar and Paying Agent, and to pay solely from such funds, interest thereon from the date of this Bond or from the most recent Interest Payment Date to which interest has been paid, whichever is applicable, until payment of such Principal Amount, at the Rate of Interest per annum set forth above, such interest to the maturity or prior redemption hereof being payable on _____, 2005, and thereafter on April 1 and October 1 of each year by check or draft mailed on or before the Interest Payment Date, to the Registered Owner at his address as it appears, at 5:00 P.M. Eastern Time on the fifteenth day of the month preceding the applicable Interest Payment Date, on the Register of the Issuer kept by the Registrar; provided, that for any Registered Owner of One Million Dollars (\$1,000,000) or more in principal amount of Series 2004 Bonds, such payment shall, at the written request of such Registered Owner, be by wire transfer or other medium acceptable to the Issuer and to such Registered Owner. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an authorized issue of Series 2004 Bonds, originally issued in the aggregate principal amount of \$ _____, of like date, tenor and effect, except as to number, interest rate, and date of maturity, issued for the purpose of refunding a portion of the Issuer's outstanding Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, dated June

15, 1995, and paying certain expenses related to the issuance and sale of the Series 2004 Bonds, and all purposes incidental thereto, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Section 336.025, Florida Statutes and other applicable provisions of law (the "Act"), and Resolution No. 95-06-62 of the Issuer enacted by the Board of County Commissioners of the Issuer on June 27, 1995, as amended from time to time (the "Original Bond Resolution"), and as supplemented by Resolution No. 04-__ - __, adopted on _____, 2004 (collectively called the "Bond Resolution"), and is subject to all the terms and conditions of the Bond Resolution. Capitalized terms used herein shall have the meaning specified in the Bond Resolution.

The Series 2004 Bonds are limited, special obligations of the Issuer, payable from and secured solely by a lien upon and pledge of (i) certain Local Option Gas Tax Revenues until applied in accordance with the provisions of the Bond Resolution, the moneys, including investments thereof, in certain of the funds and accounts established by the Bond Resolution, all in the manner provided in and subject to the terms and conditions of the Bond Resolution (herein referred to collectively, as the "Pledged Funds"). The Series 2004 Bonds are secured on a parity as to the Pledged Funds with the Issuer's outstanding Local Option Gas Tax Revenue Bonds, Series 1995, remaining outstanding after issuance of the Series 2004 Bonds. The Series 2004 Bonds do not constitute a general obligation or indebtedness of the Issuer, and it is expressly agreed by the Registered Owner of this Bond that such Registered Owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, or the taxation of any property of or in the Issuer, for the payment of the principal of and interest on this Bond or for the making of any sinking fund, reserve or other payments provided for in the Bond Resolution.

It is further agreed between the Issuer and the Registered Owner of this Bond, that this Bond and the obligation evidenced hereby shall not constitute a lien upon the 2004 Project or any part thereof, or on any other property of or in the Issuer, but shall constitute a lien only on the Pledged Funds, in the manner provided in the Bond Resolution.

The Issuer has entered into certain covenants with the Registered Owners of the Series 2004 Bonds for the terms of which reference is made to the Bond Resolution. In particular, the Issuer has reserved the right to issue additional obligations payable from and secured by a lien upon and pledge of the Pledged Funds on a parity with the Bonds, upon compliance with certain conditions set forth in the Bond Resolution. The Issuer has also reserved the right to defease the lien of the Series 2004 Bonds upon the Pledged Funds upon making provision for payment of the Series 2004 Bonds as provided in the Bond Resolution. The lien on a portion of the Pledged Funds may also be released under certain conditions set forth in the Bond Resolution

[INSERT REDEMPTION PROVISIONS]

Notice of such redemption shall be given in the manner provided in the Bond Resolution.

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and the Registered Owner and each successive Registered Owner of this Bond, shall be conclusively

deemed by his acceptance hereof to have agreed that this Bond shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Bond, and of the issue of Series 2004 Bonds of which this Bond is one, does not violate any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar.

IN WITNESS WHEREOF, the Issuer has issued this Bond and has caused the same to be executed by the Chairman of the Board of County Commissioners of the Issuer, either manually or with his facsimile signature, and the corporate seal of said Issuer, or a facsimile thereof to be affixed hereto or imprinted or reproduced hereon, and the foregoing attested by the manual or facsimile signature of the Clerk or Deputy Clerk of the Issuer, all as of the Date of Issue above.

LEE COUNTY, FLORIDA

(SEAL)

By: _____
Chairman, Board of County
Commissioners

ATTEST:

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

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2004 Bonds of the issue described in the within-mentioned Bond Resolution.

Registrar

By _____
Authorized Signatory

Date of Authentication:

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right
of survivorship and not of
tenants in common

UNIF GIF MIN ACT - _____
(Cust.)
Custodian for _____
(Minor)

Additional abbreviations may also be used although not listed above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____
(Please insert Social Security or other Identifying Number of Assignee)

the within Bond and does hereby irrevocably constitute and appoint the Bond Trustee as his agent to transfer the Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within note in every particular, without alteration or enlargement or change whatever.

(Authorized Officer)

STATEMENT OF INSURANCE

[To Come]

EXHIBIT B

CONDITIONS TO EXECUTION OF PURCHASE CONTRACT

The conditions to exercise the authority to execute the Purchase Contract are:

A. The Purchase Contract shall be executed on behalf of the Issuer by the Chairman on or before December 31, 2004, and shall be in such form and with such provisions as shall be reasonable and customary for purchase contracts, with the advice of the Issuer Attorney and Bond Counsel.

B. The aggregate principal amount of the Series 2004 Bonds to be sold shall (exclusive of any original issue discount on the sale of the Series 2004 Bonds) not exceed \$30,000,000.

C. The true interest cost rate on the Series 2004 Bonds shall not exceed five percent (5%) per annum and the net present value of the debt service savings as a result of the Refunding shall not be less than 3% (expressed as the percentage of Refunded Bonds par amount).

D. The Series 2004 Bonds shall be subject to redemption at the option of the Issuer no later October 1, 2014 and at a redemption price not greater than 101% of the principal amount redeemed.

E. The Series 2004 Bonds shall mature not later than October 1, 2020.

F. The underwriters shall have delivered to the Issuer (i) a good faith check in an amount not less than one percent (1%) of the par amount of the Series 2004 Bonds, calculated without reference to original issue discount, (ii) the disclosure statement required by Section 218.835(6), Florida Statutes, and (iii) the truth-in-lending statement required by Section 218.385(2), Florida Statutes.

G. The underwriters discount shall not exceed .2978% of the par amount of the Series 2004 Bonds shall not be later than October 1, 2020.

H. The final maturity date of the Series 2004 Bonds shall not be later than October 1, 2020.

EXHIBIT C
FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT D
FORM OF ESCROW DEPOSIT AGREEMENT

EXHIBIT E
FORM OF BOND PURCHASE AGREEMENT

EXHIBIT F
FORM OF BOND REGISTRAR AND PAYING AGENT AGREEMENT

EXHIBIT G
CREDIT FACILITY PROVISIONS

[To Come]

EXHIBIT H
FORM OF CONTINUING DISCLOSURE CERTIFICATE

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT (the "Agreement") made and entered into as of _____, 2004, by and between LEE COUNTY, FLORIDA (the "County") and _____, _____, a [state] bank duly organized and existing under the laws of the State of New York (the "Escrow Agent"), authorized under such laws to exercise trust powers subject to supervision or examination by Federal or State authority, and registered with the Securities and Exchange Commission.

W I T N E S S E T H:

Whereas, the County has heretofore issued its Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, dated June 15, 1995, the balance of which mature on October 1, in the years [2004] through 2020 (the "Series 1995 Bonds"), and

Whereas, the County is issuing its \$ _____ aggregate principal amount of Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), pursuant to the provisions of Resolution No. 95-06-62, adopted by the Board of County Commissioners of the County (the "Board") on June 27, 1995, as supplemented by Resolution No. _____, adopted by the Board on _____, 2004 (collectively, the "Bond Resolution"), a portion of the proceeds of which Series 2004 Bonds is to be deposited with the Escrow Agent to provide, with investment earnings thereon and certain other available moneys of the County, sufficient moneys for the payment of the principal, premium, and interest on the Series 1995 Bonds maturing on and after October 1, 2006, as more particularly described on Schedule A (the "Refunded Bonds"); and

Whereas, a portion of the proceeds derived from the sale of the Series 2004 Bonds, together with the other available moneys of the County, will be applied to the purchase of Escrow Securities (as such term is hereinafter defined), which _____ (the "Verification Agent") has indicated in their report (the "Verification Report") will mature and produce investment income and earnings (without consideration of any reinvestment of such income and earnings) at such time and in such amount, as will be sufficient to pay on October 1, 2005, the principal of, and premium and interest on, the Refunded Bonds, as more specifically set forth in this Agreement; and

Whereas, in order to provide for the proper and timely application of the moneys deposited hereunder, the maturing principal amount of the Escrow Securities purchased therewith, and investment income and earnings derived therefrom to the payment of the Refunded Bonds, it is necessary for the County to enter into this Agreement with the Escrow Agent;

Now, Therefore, the County, in consideration of the foregoing and the mutual covenants set forth in this Agreement and in order to secure the payment of the principal of and interest on all of the Refunded Bonds according to their tenor and effect, does hereby agree as follows:

ARTICLE I

CREATION AND CONVEYANCE OF TRUST ESTATE

Section 1.01. Creation and Conveyance of Trust Estate. The County grants, warrants, remises, releases, conveys, assigns, transfers, aliens, pledges, sets over and confirms unto the Escrow Agent and to its successors in the trust created pursuant to this Agreement, and to it and its assigns forever, all and singular the property hereinafter described, to wit:

DIVISION I

All right, title and interest in and to (i) \$ _____ in moneys deposited directly with the Escrow Agent and derived from the proceeds of the Series 2004 Bonds upon issuance and delivery of the Series 2004 Bonds and execution of and delivery of this Agreement (the "Bond Proceeds") and (ii) \$ _____ in moneys derived from the debt service funds, established for the Refunded Bonds (the "Other Moneys").

DIVISION II

All right, title and interest in and to the Escrow Securities described in Schedule B, together with the income and earnings on such Escrow Securities.

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 as and for additional security hereunder by the County, or by anyone on behalf of the County to the Escrow Agent for the benefit of the Refunded Bonds.

DIVISION IV

All property which is by the express provisions of this Agreement required to be subject to the pledge of this Agreement and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, by the County, or by anyone in its behalf, be subject to the pledge of this Agreement.

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 of this Agreement 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 sole benefit and security of the holders from time to time of the Refunded Bonds, but if the principal of and interest on all of the Refunded Bonds shall be fully and promptly paid when due, upon the maturity and early redemption of the Refunded Bonds, in accordance with their terms and the terms of this Agreement, then this Agreement shall be and become void and of no further force and effect except as otherwise provided in this Agreement; 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 II

DEFINITIONS

Section 2.01. Definitions. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Bond Resolution.

“Escrow Securities” shall mean non-callable direct obligations of the United States of America as specified in Schedule B attached to this Agreement.

“Trust Estate” shall mean the property, rights and interests described or referred to under Divisions I, II, III and IV in Article I above.

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 III

**ESTABLISHMENT OF ESCROW DEPOSIT TRUST FUND;
FLOW OF FUNDS**

Section 3.01. Creation of Escrow Deposit Trust Fund and Deposit of Moneys. There is created and established with the Escrow Agent a special and irrevocable trust fund designated “Lee County, Florida, Five Cent Local Option Gas Tax Revenue Bonds, Series 1995 Escrow Deposit Trust Fund” (the “Escrow Deposit Trust Fund”), to be held by the Escrow Agent for the sole benefit of the holders of the Refunded Bonds and accounted for separate and apart from the other funds of the County and, to the extent required by law, of the Escrow Agent.

On _____, 2004, the County shall cause to be deposited with the Escrow Agent and the Escrow Agent shall accept immediately available moneys for deposit in the Escrow Deposit Trust Fund in the amount of \$ _____, of which \$ _____ will be from the proceeds of the Series 2004 Bonds, and \$ _____ from funds of the County, which will be used to purchase Escrow Securities which, the Verification Agent has indicated in the Verification Report will provide moneys sufficient to pay the principal of and premium and interest to be due and payable on the Refunded Bonds on October 1, 2005, as more particularly described in Schedule C.

Section 3.02. Payment of Refunded Bonds. The Bond Proceeds and Other Moneys received by the Escrow Agent will be sufficient to purchase Escrow Securities having a Maturity Amount on the dates and in amounts, so that sufficient moneys will be available to pay when due the redemption price of and interest on the Refunded Bonds. Notwithstanding the foregoing, if the amounts deposited in the Escrow Deposit Trust Fund are insufficient to make said payments of

redemption price and interest, the County shall cause to be deposited into the Escrow Deposit Trust Fund the amount of any deficiency immediately upon notice from the Escrow Agent.

Section 3.03. Irrevocable Trust Created. The deposit of moneys and Escrow Securities or other property hereunder in the Escrow Deposit Trust Fund shall constitute an irrevocable deposit of said moneys and Escrow Securities and other property hereunder for the sole benefit of the holders of the Refunded Bonds, subject to the provisions of this Agreement. The holders of the Refunded Bonds, subject to the provisions of this Agreement, shall have an express lien on all moneys and principal of and earnings on the Escrow Securities and other property in the Escrow Deposit Trust Fund. The moneys deposited in the Escrow Deposit Trust Fund and the matured principal of the Escrow Securities and other property 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 paying agent for the Refunded Bonds for the payment of the principal of and interest and premium, if any, on the Refunded Bonds, as more specifically set forth in Schedule C.

Section 3.04. Purchase of Escrow Securities. The Escrow Agent is hereby directed to purchase the Escrow Securities set forth in Schedule B hereto. The Escrow Agent shall purchase the Escrow Securities solely from the moneys deposited in the Escrow Deposit Trust Fund as provided in Sections 3.01 and 3.02. The Escrow Agent shall apply the moneys deposited in the Escrow Deposit Trust Fund and the Escrow Securities purchased therewith, together with all income or earnings thereon, in accordance with the provisions of this Agreement. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Escrow Securities held hereunder or to sell, transfer or otherwise dispose of the Escrow Securities held hereunder except as provided in this Agreement.

The County covenants to take no action relating to the investment, or reinvestment of, or security for the Escrow Deposit Trust Fund in violation of this Agreement and recognizes that any such action in contravention of this Agreement might cause the Refunded Bonds or the Series 2004 Bonds to be classified as "arbitrage bonds" under the Internal Revenue Code 1986, as amended, and the regulations promulgated thereunder, as applicable (collectively, as applicable, the "Code").

Section 3.05. Substitution of Certain Escrow Securities.

(a) If so directed in writing by the County on the date of delivery of this Agreement, the Escrow Agent shall accept in substitution for all or a portion of the Escrow Securities listed in Schedule B, other Escrow Securities (the "Substituted Securities"), the principal of and interest on which, together with any Escrow Securities listed in Schedule B for which no substitution is made and moneys held uninvested by the Escrow Agent, will be sufficient to pay all principal of and interest to become due on the Refunded Bonds as set forth in Schedule C. The foregoing notwithstanding, the substitution of Substituted Securities for any of the Escrow Securities listed in Schedule B may be effected only upon compliance with Section 3.05(b)(1) and (2) below.

(b) If so directed in writing by the County at any time during the term of this Agreement, the Escrow Agent shall sell, transfer, exchange or otherwise dispose of, or request the redemption of, all or a portion of the Escrow Securities then held in the Escrow Deposit Trust Fund and shall substitute for such Escrow Securities other Escrow Securities, designated by the County,

and acquired by the Escrow Agent with the proceeds derived from the sale, transfer, disposition or redemption of or by the exchange of such Escrow Securities held in the Escrow Deposit Trust Fund, but only upon the receipt by the Escrow Agent of:

(1) an opinion of nationally recognized counsel in the field of law relating to municipal bonds stating that such substitution will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds and the Series 2004 Bonds and is not inconsistent with the statutes and regulations applicable to the Refunded Bonds and the Series 2004 Bonds; and

(2) verification from an independent certified public accountant stating that the principal of and interest on the substituted Escrow Securities, together with any Escrow Securities and any uninvested moneys remaining in the Escrow Deposit Trust Fund will be sufficient, without reinvestment, to pay the remaining principal of and interest to become due on the Refunded Bonds as set forth in Schedule C.

Any moneys resulting from the sale, transfer, disposition or redemption of the Escrow Securities held hereunder and the substitution therefor of other Escrow Securities not required to be applied for the payment of such principal of and interest on the Refunded Bonds (as shown in the verification report described in Section 3.05(b)(2) delivered in connection with such substitution), shall be deposited in the fund or account created under the Bond Resolution for the payment of debt service on the Series 2004 Bonds, or, upon receipt of an approving opinion of nationally recognized counsel in the field of law relating to municipal bonds, applied or transferred in such other manner as is approved in said opinion. Upon any such substitution of Escrow Securities pursuant to Section 3.05, Schedule B shall be appropriately amended to reflect such substitution.

The Escrow Agent shall be under no duty to inquire whether the Escrow Securities as deposited in the Escrow Deposit Trust Fund are properly invested under the Code, except as specifically set forth in this Section 3.05, and provided further that the Escrow Agent may rely on all specific directions in this Agreement providing for the investment or reinvestment of the Escrow Deposit Trust Fund.

Section 3.06. Transfers from Escrow Deposit Trust Fund; Instructions to Call for Redemption. As the principal of the Escrow Securities set forth in Schedule B shall mature and be paid, and the investment income and earnings thereon are paid, the Escrow Agent shall, no later than the payment date for the Refunded Bonds, on the dates such payments are due as specified in Schedule C, transfer from the Escrow Deposit Trust Fund to the paying agent for the Refunded Bonds amounts sufficient to pay the principal of, redemption premium, and interest on the Refunded Bonds, as specified in Schedule C. The County irrevocably determines to call the Refunded Bonds for redemption on the call date of October 1, 2005, at the redemption price of 102% of their principal amount. The County hereby instructs the Escrow Agent, and the Escrow Agent hereby agrees, to send notice of refunding and redemption, substantially in the form attached hereto as Schedule D, of the Refunded Bonds to be redeemed prior to maturity in accordance with the provisions of the instruments authorizing the Refunded Bonds.

Section 3.07. Investment of Certain Moneys Remaining in Escrow Deposit Trust Fund. Subject to the provisions of Section 3.04 and the express instruction for reinvestment

provided in this Section, the Escrow Agent shall invest and reinvest, at the written direction of the County, in Escrow Securities any moneys remaining from time to time in the Escrow Deposit Trust Fund until such time as they are needed. Such moneys shall be reinvested in such Escrow Securities for such periods and at such interest rates, as the Escrow Agent shall be directed to invest by the County, which periods and interest rates shall be set forth in an opinion from nationally recognized counsel in the field of law relating to municipal bonds to the County and to the Escrow Agent, which opinion shall also be to the effect that such reinvestment of such moneys in such Escrow Securities for such period and at such interest rates will not, under the statutes and regulations applicable to the Refunded Bonds and the Series 2004 Bonds, cause the interest on the Refunded Bonds or Series 2004 Bonds to be included in gross income for federal income tax purposes and that such investment is not inconsistent with the statutes and regulations applicable to the Refunded Bonds and the Series 2004 Bonds. Any interest income resulting from reinvestment of moneys pursuant to this Section 3.07 not required to be applied for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds shall be paid to the County for deposit in the Interest Account within the Debt Service Fund established under the Bond Resolution and used to pay interest on the Series 2004 Bonds.

Section 3.08. Escrow Deposit Trust Fund Constitutes Trust Fund. The Escrow Deposit Trust Fund created and established pursuant to this Agreement shall be and constitute a trust fund for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of the County and, to the extent required by law, of the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

Section 3.09. Transfer of Funds after all Payments Required by this Agreement Are Made. After all of the transfers by the Escrow Agent to the paying agent for payment of the principal of, redemption premium, if applicable, and interest on the Refunded Bonds provided in Schedule C have been made, all remaining moneys and securities, together with any income and interest thereon, in the Escrow Deposit Trust Fund shall be paid to the County for deposit in the Interest Account of the Debt Service Fund established under the Bond Resolution and used to pay interest on the Series 2004 Bonds; provided, however, that no such transfers (except transfers made in accordance with Sections 3.05 and 3.07) shall be made until all of the principal of and premium and interest on the Refunded Bonds have been paid.

ARTICLE IV

CONCERNING THE ESCROW AGENT

Section 4.01. Liability of Escrow Agent. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Escrow Agent shall not be liable for any loss resulting from any investments made pursuant to the terms of this Agreement. 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 Escrow Securities and the earnings thereon to pay the Refunded Bonds. So long as the Escrow Agent applies any moneys, Escrow Securities and interest earnings therefrom to pay the Refunded Bonds as provided in this Agreement, 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 or expenses for the services rendered by the Escrow Agent under this Agreement.

Section 4.02. Permitted Acts. The Escrow Agent and its affiliates may become the owner of all or may deal in the Refunded Bonds as fully and with the same rights as if it were not the Escrow Agent.

Section 4.03. Payment to Escrow Agent. The County shall pay to the Escrow Agent reasonable compensation for all services rendered by it hereunder and also its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts created pursuant to this Agreement, and the performance of its powers and duties hereunder, including, without limitation, all advances, counsel fees and other expenses reasonably made or incurred by the Escrow Agent in connection with such services.

The County further agrees to the extent permitted by law to indemnify and hold the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct. Indemnification provided under this Section 4.03 shall survive the termination of this Agreement.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the County. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the County pursuant to any provision of this Agreement. The Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance and the County shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the County or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the County of its intention to retain counsel.

Section 4.04. Resignation or Removal of Escrow Agent. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than thirty (30) days' written notice to the County and by mailing notice thereof, specifying the date when such resignation will take effect, to the County and the Paying Agent for the Refunded Bonds, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the County 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.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, to the County and signed by the holders of majority in aggregate principal amount of the Refunded Bonds, not theretofore paid.

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 shall be appointed by the County which successor shall not be unacceptable to [Bond Insurer]. The County shall mail notice of any such appointment made by it at the time and in the manner described in the first paragraph of this Section 4.04.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by the County pursuant to the foregoing provisions of this Section 4.04 within sixth (60) days after written notice of resignation of the Escrow Agent has been given to the County, 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 a successor Escrow Agent.

In the event of replacement or resignation of the Escrow Agent, the Escrow Agent shall remit to the County the prorated portion of prepaid fees not yet incurred or payable less any termination fees and expenses at the time of discharge.

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 within which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party, or any corporation to which the Escrow Agent or successor to it shall sell or transfer all or substantially all of its corporate trust business, 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 except that any successor Escrow Agent hereunder must be acceptable to [Bond Insurer].

Notwithstanding the foregoing, the Escrow Agent may not resign hereunder unless the Escrow Agent also resigns as Escrow Agent under the Bond Resolution.

ARTICLE V

MISCELLANEOUS

Section 5.01. Amendments to this Agreement. This Agreement is made for the benefit of the owners from time to time of the Refunded Bonds and shall not be repealed, revoked, altered or amended without the written consent of all such owners of the Refunded Bonds, the Escrow Agent and the County; provided, however, that the County and the Escrow Agent may, without the consent of, or notice to, such owners, enter into such agreements supplemental to this Agreement

which shall not adversely affect the rights of such owners 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; or
- (b) to grant to or confer upon the Escrow Agent for the benefit of the owners 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 upon an unqualified opinion of a nationally recognized counsel in the field of law relating to municipal bonds with respect to compliance with this Section.

Prior to any repeal, revocation, alteration or amendment of this Agreement, the County shall provide written notice of such proposed repeal, revocation, alteration or amendment to Moody's Investors Service, Inc. at its address set forth below:

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007
Attention: Municipal Ratings Desk/Refunded Bonds

Section 5.02. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the County 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 severable from the remaining covenants and agreements contained in this Agreement and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 5.03. Agreement Binding. All the covenants, proposals and agreements in this Agreement contained by or on behalf of the County 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 5.04. Notices to Escrow Agent and County. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the Escrow Agent or the County, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if personally delivered and receipted for, or if sent by registered or certified United States mail, return receipt requested, addressed as follows:

- (a) As to the County -

Lee County
2115 Second Street
Fort Myers, FL 33901
Attention: County Manager

(b) As to the Escrow Agent -

Any party to this Agreement may, by notice sent to the other parties to this Agreement, designate a different or additional address to which notices under this Agreement are to be sent.

Section 5.05. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions of this Agreement shall have been made.

Section 5.06. 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.

[The Remainder of this Page is Intentionally Left Blank]

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

(SEAL)

LEE COUNTY, FLORIDA

By: _____
Chairman, Board of County Commissioners

Attest:

By: _____
Clerk of the Circuit Court, ex officio
Clerk of the Board of County
Commissioners

(SEAL)

[_____] _____
as Escrow Agent

By: _____
Agent

SCHEDULE A

Refunded Bonds

Lee County, Florida, Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, as follows:

Series 1995 Bonds

<u>Maturity Dates</u>	<u>Principal Amounts</u>	<u>Coupons</u>
10/1/2006	\$1,170,000	5.10%
10/1/2007	1,230,000	5.25
10/1/2008	1,290,000	5.40
10/1/2009	1,360,000	5.50
10/1/2010	1,435,000	5.60
10/1/2011	1,510,000	5.65
10/1/2015	6,960,000	5.75
10/1/2020	11,195,000	5.75

SCHEDULE B
INVESTMENT OF FUNDS

Escrow Securities consist of:

SCHEDULE C

SCHEDULE OF PAYMENTS ON
Refunded Bonds

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Redemption Premium</u>	<u>Total</u>
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SCHEDULE D

NOTICE OF REFUNDING

LEE COUNTY, FLORIDA
FIVE CENT LOCAL OPTION GAS TAX REVENUE BONDS, SERIES 1995
Dated June 15, 1995

Notice is hereby given to the holders of the above captioned bonds maturing on October 1 in the years and identified as follows (the "Refunded Bonds"):

<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>CUSIP No.</u>
-------------	---------------	---------------	------------------

that Lee County, Florida (the "County"), on _____, 2004, issued its Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004 (the "Refunding Bonds"), for the purpose of refunding the Refunded Bonds. Proceeds of the Refunding Bonds and other moneys of the County have been deposited into an escrow account at _____ (the "Escrow Holder"), and, except to the extent maintained in cash, have been invested in direct obligations of the United States of America as to which, according to calculations of the County verified by a firm of independent Certified Public Accountants, the projected payments of interest and maturing principal, together with the initial cash deposited by the County, are adequate to pay, _____, the principal of and interest on the Refunded Bonds and certain fees and expenses relating to the Refunding Bonds. The Refunded Bonds have been irrevocably called for redemption on October 1, 2005 at a redemption price equal to 102% of the principal amount to be redeemed, together with accrued interest to the redemption date. Accordingly, the Refunded Bonds will be deemed to have been paid, the lien of the holders of the Refunded Bonds upon the pledged revenues and other funds pursuant to the authorizing resolution securing the Refunded Bonds will be satisfied and discharged, and the Refunded Bonds are now secured by the Escrow Agreement by and between the County and the Escrow Holder.

[Escrow Agent]
As Agent for
LEE COUNTY, FLORIDA

NOTICE

Withholding of [30.5%] of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2001 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**The County and the Paying Agent and Escrow Agent shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bonds. They are included solely for the convenience of the holders.*

DATED: _____

SCHEDULE E
FORM OF
NOTICE OF REDEMPTION

LEE COUNTY, FLORIDA
FIVE CENT LOCAL OPTION GAS TAX REVENUE BONDS, SERIES 1995
Dated June 15, 1995

NOTICE IS HEREBY GIVEN, for and on behalf of Lee County, Florida, that all of the County's Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, dated June 15, 1995, maturing on October 1 in the years 2006 through 2020 (the "Refunded Bonds") have been called for redemption on October 1, 2005, at the redemption price of 102% of the principal amount to be redeemed, together with the interest accrued thereon to the date fixed for redemption, and will be redeemed on October 1, 2005. The Refunded Bonds are identified by the following CUSIP Nos.:

_____.

Payment of the redemption price, plus accrued interest on such Bonds, will be made on or after October 1, 2005, the redemption date, at the office of _____, _____, Florida, as paying agent for the Refunded Bonds, upon surrender thereof. Interest on the Refunded Bonds will cease to accrue from and after such redemption date.

Withholding of [30.5%] of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2001 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**The County and the Paying Agent and Escrow Agent shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bonds. They are included solely for the convenience of the holders.*

DATED this ____ day of _____, 2005.

As Agent for
LEE COUNTY, FLORIDA

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT (the "Agreement") made and entered into as of _____, 2004, by and between LEE COUNTY, FLORIDA (the "County") and _____, _____, a [state] bank duly organized and existing under the laws of the State of New York (the "Escrow Agent"), authorized under such laws to exercise trust powers subject to supervision or examination by Federal or State authority, and registered with the Securities and Exchange Commission.

W I T N E S S E T H:

Whereas, the County has heretofore issued its Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, dated June 15, 1995, the balance of which mature on October 1, in the years [2004] through 2020 (the "Series 1995 Bonds"), and

Whereas, the County is issuing its \$ _____ aggregate principal amount of Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), pursuant to the provisions of Resolution No. 95-06-62, adopted by the Board of County Commissioners of the County (the "Board") on June 27, 1995, as supplemented by Resolution No. _____, adopted by the Board on _____, 2004 (collectively, the "Bond Resolution"), a portion of the proceeds of which Series 2004 Bonds is to be deposited with the Escrow Agent to provide, with investment earnings thereon and certain other available moneys of the County, sufficient moneys for the payment of the principal, premium, and interest on the Series 1995 Bonds maturing on and after October 1, 2006, as more particularly described on Schedule A (the "Refunded Bonds"); and

Whereas, a portion of the proceeds derived from the sale of the Series 2004 Bonds, together with the other available moneys of the County, will be applied to the purchase of Escrow Securities (as such term is hereinafter defined), which _____ (the "Verification Agent") has indicated in their report (the "Verification Report") will mature and produce investment income and earnings (without consideration of any reinvestment of such income and earnings) at such time and in such amount, as will be sufficient to pay on October 1, 2005, the principal of, and premium and interest on, the Refunded Bonds, as more specifically set forth in this Agreement; and

Whereas, in order to provide for the proper and timely application of the moneys deposited hereunder, the maturing principal amount of the Escrow Securities purchased therewith, and investment income and earnings derived therefrom to the payment of the Refunded Bonds, it is necessary for the County to enter into this Agreement with the Escrow Agent;

Now, Therefore, the County, in consideration of the foregoing and the mutual covenants set forth in this Agreement and in order to secure the payment of the principal of and interest on all of the Refunded Bonds according to their tenor and effect, does hereby agree as follows:

ARTICLE I

CREATION AND CONVEYANCE OF TRUST ESTATE

Section 1.01. Creation and Conveyance of Trust Estate. The County grants, warrants, remises, releases, conveys, assigns, transfers, aliens, pledges, sets over and confirms unto the Escrow Agent and to its successors in the trust created pursuant to this Agreement, and to it and its assigns forever, all and singular the property hereinafter described, to wit:

DIVISION I

All right, title and interest in and to (i) \$_____ in moneys deposited directly with the Escrow Agent and derived from the proceeds of the Series 2004 Bonds upon issuance and delivery of the Series 2004 Bonds and execution of and delivery of this Agreement (the "Bond Proceeds") and (ii) \$_____ in moneys derived from the debt service funds, established for the Refunded Bonds (the "Other Moneys").

DIVISION II

All right, title and interest in and to the Escrow Securities described in Schedule B, together with the income and earnings on such Escrow Securities.

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 as and for additional security hereunder by the County, or by anyone on behalf of the County to the Escrow Agent for the benefit of the Refunded Bonds.

DIVISION IV

All property which is by the express provisions of this Agreement required to be subject to the pledge of this Agreement and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, by the County, or by anyone in its behalf, be subject to the pledge of this Agreement.

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 of this Agreement 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 sole benefit and security of the holders from time to time of the Refunded Bonds, but if the principal of and interest on all of the Refunded Bonds shall be fully and promptly paid when due, upon the maturity and early redemption of the Refunded Bonds, in accordance with their terms and the terms of this Agreement, then this Agreement shall be and become void and of no further force and effect except as otherwise provided in this Agreement; 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 II

DEFINITIONS

Section 2.01. Definitions. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Bond Resolution.

“Escrow Securities” shall mean non-callable direct obligations of the United States of America as specified in Schedule B attached to this Agreement.

“Trust Estate” shall mean the property, rights and interests described or referred to under Divisions I, II, III and IV in Article I above.

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 III

**ESTABLISHMENT OF ESCROW DEPOSIT TRUST FUND;
FLOW OF FUNDS**

Section 3.01. Creation of Escrow Deposit Trust Fund and Deposit of Moneys. There is created and established with the Escrow Agent a special and irrevocable trust fund designated “Lee County, Florida, Five Cent Local Option Gas Tax Revenue Bonds, Series 1995 Escrow Deposit Trust Fund” (the “Escrow Deposit Trust Fund”), to be held by the Escrow Agent for the sole benefit of the holders of the Refunded Bonds and accounted for separate and apart from the other funds of the County and, to the extent required by law, of the Escrow Agent.

On _____, 2004, the County shall cause to be deposited with the Escrow Agent and the Escrow Agent shall accept immediately available moneys for deposit in the Escrow Deposit Trust Fund in the amount of \$ _____, of which \$ _____ will be from the proceeds of the Series 2004 Bonds, and \$ _____ from funds of the County, which will be used to purchase Escrow Securities which, the Verification Agent has indicated in the Verification Report will provide moneys sufficient to pay the principal of and premium and interest to be due and payable on the Refunded Bonds on October 1, 2005, as more particularly described in Schedule C.

Section 3.02. Payment of Refunded Bonds. The Bond Proceeds and Other Moneys received by the Escrow Agent will be sufficient to purchase Escrow Securities having a Maturity Amount on the dates and in amounts, so that sufficient moneys will be available to pay when due the redemption price of and interest on the Refunded Bonds. Notwithstanding the foregoing, if the amounts deposited in the Escrow Deposit Trust Fund are insufficient to make said payments of

redemption price and interest, the County shall cause to be deposited into the Escrow Deposit Trust Fund the amount of any deficiency immediately upon notice from the Escrow Agent.

Section 3.03. Irrevocable Trust Created. The deposit of moneys and Escrow Securities or other property hereunder in the Escrow Deposit Trust Fund shall constitute an irrevocable deposit of said moneys and Escrow Securities and other property hereunder for the sole benefit of the holders of the Refunded Bonds, subject to the provisions of this Agreement. The holders of the Refunded Bonds, subject to the provisions of this Agreement, shall have an express lien on all moneys and principal of and earnings on the Escrow Securities and other property in the Escrow Deposit Trust Fund. The moneys deposited in the Escrow Deposit Trust Fund and the matured principal of the Escrow Securities and other property 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 paying agent for the Refunded Bonds for the payment of the principal of and interest and premium, if any, on the Refunded Bonds, as more specifically set forth in Schedule C.

Section 3.04. Purchase of Escrow Securities. The Escrow Agent is hereby directed to purchase the Escrow Securities set forth in Schedule B hereto. The Escrow Agent shall purchase the Escrow Securities solely from the moneys deposited in the Escrow Deposit Trust Fund as provided in Sections 3.01 and 3.02. The Escrow Agent shall apply the moneys deposited in the Escrow Deposit Trust Fund and the Escrow Securities purchased therewith, together with all income or earnings thereon, in accordance with the provisions of this Agreement. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Escrow Securities held hereunder or to sell, transfer or otherwise dispose of the Escrow Securities held hereunder except as provided in this Agreement.

The County covenants to take no action relating to the investment, or reinvestment of, or security for the Escrow Deposit Trust Fund in violation of this Agreement and recognizes that any such action in contravention of this Agreement might cause the Refunded Bonds or the Series 2004 Bonds to be classified as "arbitrage bonds" under the Internal Revenue Code 1986, as amended, and the regulations promulgated thereunder, as applicable (collectively, as applicable, the "Code").

Section 3.05. Substitution of Certain Escrow Securities.

(a) If so directed in writing by the County on the date of delivery of this Agreement, the Escrow Agent shall accept in substitution for all or a portion of the Escrow Securities listed in Schedule B, other Escrow Securities (the "Substituted Securities"), the principal of and interest on which, together with any Escrow Securities listed in Schedule B for which no substitution is made and moneys held uninvested by the Escrow Agent, will be sufficient to pay all principal of and interest to become due on the Refunded Bonds as set forth in Schedule C. The foregoing notwithstanding, the substitution of Substituted Securities for any of the Escrow Securities listed in Schedule B may be effected only upon compliance with Section 3.05(b)(1) and (2) below.

(b) If so directed in writing by the County at any time during the term of this Agreement, the Escrow Agent shall sell, transfer, exchange or otherwise dispose of, or request the redemption of, all or a portion of the Escrow Securities then held in the Escrow Deposit Trust Fund and shall substitute for such Escrow Securities other Escrow Securities, designated by the County,

and acquired by the Escrow Agent with the proceeds derived from the sale, transfer, disposition or redemption of or by the exchange of such Escrow Securities held in the Escrow Deposit Trust Fund, but only upon the receipt by the Escrow Agent of:

(1) an opinion of nationally recognized counsel in the field of law relating to municipal bonds stating that such substitution will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds and the Series 2004 Bonds and is not inconsistent with the statutes and regulations applicable to the Refunded Bonds and the Series 2004 Bonds; and

(2) verification from an independent certified public accountant stating that the principal of and interest on the substituted Escrow Securities, together with any Escrow Securities and any uninvested moneys remaining in the Escrow Deposit Trust Fund will be sufficient, without reinvestment, to pay the remaining principal of and interest to become due on the Refunded Bonds as set forth in Schedule C.

Any moneys resulting from the sale, transfer, disposition or redemption of the Escrow Securities held hereunder and the substitution therefor of other Escrow Securities not required to be applied for the payment of such principal of and interest on the Refunded Bonds (as shown in the verification report described in Section 3.05(b)(2) delivered in connection with such substitution), shall be deposited in the fund or account created under the Bond Resolution for the payment of debt service on the Series 2004 Bonds, or, upon receipt of an approving opinion of nationally recognized counsel in the field of law relating to municipal bonds, applied or transferred in such other manner as is approved in said opinion. Upon any such substitution of Escrow Securities pursuant to Section 3.05, Schedule B shall be appropriately amended to reflect such substitution.

The Escrow Agent shall be under no duty to inquire whether the Escrow Securities as deposited in the Escrow Deposit Trust Fund are properly invested under the Code, except as specifically set forth in this Section 3.05, and provided further that the Escrow Agent may rely on all specific directions in this Agreement providing for the investment or reinvestment of the Escrow Deposit Trust Fund.

Section 3.06. Transfers from Escrow Deposit Trust Fund; Instructions to Call for Redemption. As the principal of the Escrow Securities set forth in Schedule B shall mature and be paid, and the investment income and earnings thereon are paid, the Escrow Agent shall, no later than the payment date for the Refunded Bonds, on the dates such payments are due as specified in Schedule C, transfer from the Escrow Deposit Trust Fund to the paying agent for the Refunded Bonds amounts sufficient to pay the principal of, redemption premium, and interest on the Refunded Bonds, as specified in Schedule C. The County irrevocably determines to call the Refunded Bonds for redemption on the call date of October 1, 2005, at the redemption price of 102% of their principal amount. The County hereby instructs the Escrow Agent, and the Escrow Agent hereby agrees, to send notice of refunding and redemption, substantially in the form attached hereto as Schedule D, of the Refunded Bonds to be redeemed prior to maturity in accordance with the provisions of the instruments authorizing the Refunded Bonds.

Section 3.07. Investment of Certain Moneys Remaining in Escrow Deposit Trust Fund. Subject to the provisions of Section 3.04 and the express instruction for reinvestment

provided in this Section, the Escrow Agent shall invest and reinvest, at the written direction of the County, in Escrow Securities any moneys remaining from time to time in the Escrow Deposit Trust Fund until such time as they are needed. Such moneys shall be reinvested in such Escrow Securities for such periods and at such interest rates, as the Escrow Agent shall be directed to invest by the County, which periods and interest rates shall be set forth in an opinion from nationally recognized counsel in the field of law relating to municipal bonds to the County and to the Escrow Agent, which opinion shall also be to the effect that such reinvestment of such moneys in such Escrow Securities for such period and at such interest rates will not, under the statutes and regulations applicable to the Refunded Bonds and the Series 2004 Bonds, cause the interest on the Refunded Bonds or Series 2004 Bonds to be included in gross income for federal income tax purposes and that such investment is not inconsistent with the statutes and regulations applicable to the Refunded Bonds and the Series 2004 Bonds. Any interest income resulting from reinvestment of moneys pursuant to this Section 3.07 not required to be applied for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds shall be paid to the County for deposit in the Interest Account within the Debt Service Fund established under the Bond Resolution and used to pay interest on the Series 2004 Bonds.

Section 3.08. Escrow Deposit Trust Fund Constitutes Trust Fund. The Escrow Deposit Trust Fund created and established pursuant to this Agreement shall be and constitute a trust fund for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of the County and, to the extent required by law, of the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

Section 3.09. Transfer of Funds after all Payments Required by this Agreement Are Made. After all of the transfers by the Escrow Agent to the paying agent for payment of the principal of, redemption premium, if applicable, and interest on the Refunded Bonds provided in Schedule C have been made, all remaining moneys and securities, together with any income and interest thereon, in the Escrow Deposit Trust Fund shall be paid to the County for deposit in the Interest Account of the Debt Service Fund established under the Bond Resolution and used to pay interest on the Series 2004 Bonds; provided, however, that no such transfers (except transfers made in accordance with Sections 3.05 and 3.07) shall be made until all of the principal of and premium and interest on the Refunded Bonds have been paid.

ARTICLE IV

CONCERNING THE ESCROW AGENT

Section 4.01. Liability of Escrow Agent. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Escrow Agent shall not be liable for any loss resulting from any investments made pursuant to the terms of this Agreement. 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 Escrow Securities and the earnings thereon to pay the Refunded Bonds. So long as the Escrow Agent applies any moneys, Escrow Securities and interest earnings therefrom to pay the Refunded Bonds as provided in this Agreement, 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 or expenses for the services rendered by the Escrow Agent under this Agreement.

Section 4.02. Permitted Acts. The Escrow Agent and its affiliates may become the owner of all or may deal in the Refunded Bonds as fully and with the same rights as if it were not the Escrow Agent.

Section 4.03. Payment to Escrow Agent. The County shall pay to the Escrow Agent reasonable compensation for all services rendered by it hereunder and also its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts created pursuant to this Agreement, and the performance of its powers and duties hereunder, including, without limitation, all advances, counsel fees and other expenses reasonably made or incurred by the Escrow Agent in connection with such services.

The County further agrees to the extent permitted by law to indemnify and hold the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct. Indemnification provided under this Section 4.03 shall survive the termination of this Agreement.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the County. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the County pursuant to any provision of this Agreement. The Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance and the County shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the County or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the County of its intention to retain counsel.

Section 4.04. Resignation or Removal of Escrow Agent. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than thirty (30) days' written notice to the County and by mailing notice thereof, specifying the date when such resignation will take effect, to the County and the Paying Agent for the Refunded Bonds, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the County 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.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, to the County and signed by the holders of majority in aggregate principal amount of the Refunded Bonds, not theretofore paid.

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 shall be appointed by the County which successor shall not be unacceptable to [Bond Insurer]. The County shall mail notice of any such appointment made by it at the time and in the manner described in the first paragraph of this Section 4.04.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by the County pursuant to the foregoing provisions of this Section 4.04 within sixth (60) days after written notice of resignation of the Escrow Agent has been given to the County, 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 a successor Escrow Agent.

In the event of replacement or resignation of the Escrow Agent, the Escrow Agent shall remit to the County the prorated portion of prepaid fees not yet incurred or payable less any termination fees and expenses at the time of discharge.

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 within which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party, or any corporation to which the Escrow Agent or successor to it shall sell or transfer all or substantially all of its corporate trust business, 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 except that any successor Escrow Agent hereunder must be acceptable to [Bond Insurer].

Notwithstanding the foregoing, the Escrow Agent may not resign hereunder unless the Escrow Agent also resigns as Escrow Agent under the Bond Resolution.

ARTICLE V

MISCELLANEOUS

Section 5.01. Amendments to this Agreement. This Agreement is made for the benefit of the owners from time to time of the Refunded Bonds and shall not be repealed, revoked, altered or amended without the written consent of all such owners of the Refunded Bonds, the Escrow Agent and the County; provided, however, that the County and the Escrow Agent may, without the consent of, or notice to, such owners, enter into such agreements supplemental to this Agreement

which shall not adversely affect the rights of such owners 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; or

(b) to grant to or confer upon the Escrow Agent for the benefit of the owners 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 upon an unqualified opinion of a nationally recognized counsel in the field of law relating to municipal bonds with respect to compliance with this Section.

Prior to any repeal, revocation, alteration or amendment of this Agreement, the County shall provide written notice of such proposed repeal, revocation, alteration or amendment to Moody's Investors Service, Inc. at its address set forth below:

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007
Attention: Municipal Ratings Desk/Refunded Bonds

Section 5.02. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the County 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 severable from the remaining covenants and agreements contained in this Agreement and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 5.03. Agreement Binding. All the covenants, proposals and agreements in this Agreement contained by or on behalf of the County 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 5.04. Notices to Escrow Agent and County. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the Escrow Agent or the County, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if personally delivered and receipted for, or if sent by registered or certified United States mail, return receipt requested, addressed as follows:

(a) As to the County -

Lee County
2115 Second Street
Fort Myers, FL 33901
Attention: County Manager

(b) As to the Escrow Agent -

Any party to this Agreement may, by notice sent to the other parties to this Agreement, designate a different or additional address to which notices under this Agreement are to be sent.

Section 5.05. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions of this Agreement shall have been made.

Section 5.06. 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.

[The Remainder of this Page is Intentionally Left Blank]

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

(SEAL)

LEE COUNTY, FLORIDA

By: _____
Chairman, Board of County Commissioners

Attest:

By: _____
Clerk of the Circuit Court, ex officio
Clerk of the Board of County
Commissioners

(SEAL)

as Escrow Agent

By: _____
Agent

SCHEDULE A

Refunded Bonds

Lee County, Florida, Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, as follows:

Series 1995 Bonds

<u>Maturity Dates</u>	<u>Principal Amounts</u>	<u>Coupons</u>
10/1/2006	\$1,170,000	5.10%
10/1/2007	1,230,000	5.25
10/1/2008	1,290,000	5.40
10/1/2009	1,360,000	5.50
10/1/2010	1,435,000	5.60
10/1/2011	1,510,000	5.65
10/1/2015	6,960,000	5.75
10/1/2020	11,195,000	5.75

SCHEDULE B
INVESTMENT OF FUNDS

Escrow Securities consist of:

SCHEDULE C
SCHEDULE OF PAYMENTS ON
Refunded Bonds

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Redemption Premium</u>	<u>Total</u>
-------------	-----------------	------------------	---------------------------	--------------

SCHEDULE D

NOTICE OF REFUNDING

LEE COUNTY, FLORIDA
FIVE CENT LOCAL OPTION GAS TAX REVENUE BONDS, SERIES 1995
Dated June 15, 1995

Notice is hereby given to the holders of the above captioned bonds maturing on October 1 in the years and identified as follows (the "Refunded Bonds"):

<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>CUSIP No.</u>
-------------	---------------	---------------	------------------

that Lee County, Florida (the "County"), on _____, 2004, issued its Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004 (the "Refunding Bonds"), for the purpose of refunding the Refunded Bonds. Proceeds of the Refunding Bonds and other moneys of the County have been deposited into an escrow account at _____ (the "Escrow Holder"), and, except to the extent maintained in cash, have been invested in direct obligations of the United States of America as to which, according to calculations of the County verified by a firm of independent Certified Public Accountants, the projected payments of interest and maturing principal, together with the initial cash deposited by the County, are adequate to pay, _____, the principal of and interest on the Refunded Bonds and certain fees and expenses relating to the Refunding Bonds. The Refunded Bonds have been irrevocably called for redemption on October 1, 2005 at a redemption price equal to 102% of the principal amount to be redeemed, together with accrued interest to the redemption date. Accordingly, the Refunded Bonds will be deemed to have been paid, the lien of the holders of the Refunded Bonds upon the pledged revenues and other funds pursuant to the authorizing resolution securing the Refunded Bonds will be satisfied and discharged, and the Refunded Bonds are now secured by the Escrow Agreement by and between the County and the Escrow Holder.

[Escrow Agent]
As Agent for
LEE COUNTY, FLORIDA

NOTICE

Withholding of [30.5%] of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2001 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**The County and the Paying Agent and Escrow Agent shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bonds. They are included solely for the convenience of the holders.*

DATED: _____

SCHEDULE E
FORM OF
NOTICE OF REDEMPTION

LEE COUNTY, FLORIDA
FIVE CENT LOCAL OPTION GAS TAX REVENUE BONDS, SERIES 1995
Dated June 15, 1995

NOTICE IS HEREBY GIVEN, for and on behalf of Lee County, Florida, that all of the County's Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, dated June 15, 1995, maturing on October 1 in the years 2006 through 2020 (the "Refunded Bonds") have been called for redemption on October 1, 2005, at the redemption price of 102% of the principal amount to be redeemed, together with the interest accrued thereon to the date fixed for redemption, and will be redeemed on October 1, 2005. The Refunded Bonds are identified by the following CUSIP Nos.:

_____.

Payment of the redemption price, plus accrued interest on such Bonds, will be made on or after October 1, 2005, the redemption date, at the office of _____, _____, Florida, as paying agent for the Refunded Bonds, upon surrender thereof. Interest on the Refunded Bonds will cease to accrue from and after such redemption date.

Withholding of [30.5%] of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2001 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**The County and the Paying Agent and Escrow Agent shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bonds. They are included solely for the convenience of the holders.*

DATED this ____ day of _____, 2005.

As Agent for
LEE COUNTY, FLORIDA

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2004

NEW ISSUE - BOOK ENTRY ONLY

RATINGS: See "RATINGS" herein

In the opinion of Bond Counsel, under existing law (a) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2004 Bonds is excluded from gross income for federal income tax purposes, (b) interest on the Series 2004 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) the Series 2004 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

\$ _____ *
Lee County, Florida
Five Cent Local Option Gas Tax Refunding Revenue Bonds,
Series 2004

Dated: _____, 2004

Due: October 1, as shown below

The Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds") are being issued by Lee County, Florida only as fully registered bonds and will be initially issued to and registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2004 Bonds. The Series 2004 Bonds will be available to purchasers in principal denominations of \$5,000 and integral multiples thereof under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive physical delivery of the Series 2004 Bonds. For so long as any purchaser is the beneficial owner of a Series 2004 Bond he must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of principal of and interest on such Series 2004 Bond. See "THE SERIES 2004 BONDS - Book-Entry Only System" herein.

Interest on the Series 2004 Bonds is payable semiannually on April 1, 2005 and on each October 1 and April 1 thereafter. The principal of, premium, if any, and interest on the Series 2004 Bonds will be paid by _____, _____, _____, as Paying Agent. So long as DTC or its nominee, Cede & Co., is the registered owner,

such payments will be made directly to Cede & Co. Disbursement of such payments to the Direct Participants (as defined herein) is the responsibility of DTC, and disbursement of such payments to Beneficial Owners (as defined herein) is the responsibility of the Direct Participants and the Indirect Participants (as defined herein), as more fully described herein.

The Series 2004 Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2004 BONDS - Redemption Provisions" herein.

The Series 2004 Bonds will be issued to provide funds for the purpose of (1) refunding a portion of the Lee County, Florida Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, and (2) paying certain costs related to the issuance of the Series 2004 Bonds, including premiums for a municipal bond insurance policy and a debt service reserve fund policy.

The Series 2004 Bonds and interest thereon will be payable solely from and secured by a lien upon and a pledge of (1) the Local Option Gas Tax Revenues (as defined herein) and (2) until applied in accordance with the provisions of Resolution No. 95-06-62 of the County adopted on June 27, 1995, as amended and supplemented (the "Resolution"), all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all as more particularly described herein and in the Resolution (collectively, the "Pledged Funds"). See "SECURITY FOR THE SERIES 2004 BONDS - Pledged Funds" herein.

The Series 2004 Bonds are not general obligations or indebtedness of the County as "bonds" within the meaning of any constitutional or statutory provision but are special obligations of the County, payable solely from and secured by a lien upon and pledge of the Pledged Funds in accordance with the terms of the Resolution. No holder of any Series 2004 Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2004 Bond, or be entitled to payment of such Series 2004 Bond from any moneys of the County, except from the Pledged Funds in the manner provided in the Resolution.

Payment of the principal of and interest on the Series 2004 Bonds, when due, will be insured by a municipal bond insurance policy to be issued by _____ simultaneously with the delivery of the Series 2004 Bonds.

[INSURER LOGO]

This cover page contains certain information for quick reference only. It is not a summary of the bond issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
--	-----------------------------------	--------------------------------	---------------------------------	--	-----------------------------------	--------------------------------	---------------------------------

\$ _____ % Term Bonds Due October 1, 20__, Price - _____%

(Plus Accrued Interest from _____, 2004)

The Series 2004 Bonds are offered when, as and if issued and received by the Underwriters, subject to approval of legality by Squire, Sanders & Dempsey L.L.P., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the County by Robert W. Gray, Esq., [Interim] County Attorney. Certain legal matters will be passed upon for the County by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. Public Financial Management, Inc., Fort Myers, Florida, is serving as Financial Advisor to the County with respect to the offering of the Series 2004 Bonds. The Series 2004 Bonds are expected to be delivered in definitive form through the facilities of DTC in New York, New York on or about _____, 2004.

[UNDERWRITER]

[UNDERWRITER]

Dated: _____, 2004

* Preliminary, subject to change.

LEE COUNTY, FLORIDA

Lee County Courthouse
2115 Second Street
Fort Myers, Florida 33901

BOARD OF COUNTY COMMISSIONERS

John Albion, Chairman
Douglas R. St. Cerny, Vice Chairman
Andrew W. Coy
Bob Janes
Ray Judah

**CLERK OF THE CIRCUIT COURT AND
EX-OFFICIO CLERK TO THE BOARD OF COUNTY COMMISSIONERS**

Charlie Green

COUNTY MANAGER

Donald D. Stilwell

[INTERIM] COUNTY ATTORNEY

Robert W. Gray, Esquire

BOND COUNSEL

Squire, Sanders & Dempsey L.L.P.
Tampa, Florida

DISCLOSURE COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

FINANCIAL ADVISOR

Public Financial Management, Inc.
Fort Myers, Florida

No dealer, broker, salesman or other person has been authorized by the County or the Underwriters to give any information or make any representations other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of the Series 2004 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been obtained from the County, _____ and other sources that are considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. However, such information is not to be construed as a representation of the County or the Underwriters. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the County expressly makes no representations that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof or the earliest date as of which such information was given.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2004 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2004 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2004 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2004 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2004 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

RELATED TO

\$ _____ *

LEE COUNTY, FLORIDA
FIVE CENT LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS,
SERIES 2004

INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices, is to provide certain information concerning the \$ _____ * Lee County, Florida Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), in connection with the sale of the Series 2004 Bonds and for the information of all who may become holders of the Series 2004 Bonds. There follows in this Official Statement a brief description of the Series 2004 Bonds, the security for the Series 2004 Bonds, and information regarding Lee County, Florida (the "County"), its economy, outstanding indebtedness, financial condition and government. All financial data and other statistical data included herein have been provided by the County, except where other sources are noted.

A complete description of the terms and conditions of the Series 2004 Bonds is set forth in Resolution No. 95-06-62 of the County adopted on June 27, 1995, as amended and supplemented (the "Resolution"). The form of the Resolution is included in this Official Statement as APPENDIX C. The description of the Series 2004 Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by their entire, actual content.

The Series 2004 Bonds are being issued and secured pursuant to the Constitution and Laws of the State of Florida, including Chapter 125, Florida Statutes, Section 336.025, Florida Statutes, and other applicable provisions of law, including Ordinance No. 93-28 of the County enacted on October 20, 1993, as amended and supplemented (the "Ordinance") and the Resolution (collectively, the "Act"). Capitalized terms used but not defined herein shall have the same meaning as in the Resolution unless the context would clearly indicate otherwise.

* Preliminary, subject to change.

PURPOSE OF THE SERIES 2004 BONDS

The proceeds of the Series 2004 Bonds will be used by the County pursuant to the Resolution to provide funds to (i) refund [all or a portion of] the Lee County, Florida Five Cent Local Option Gas Tax Revenue Bonds, Series 1995 (the "Series 1995 Bonds"), which mature on or after October 1, 2006 (the "Refunded Bonds"), and (ii) pay certain expenses related to the issuance and sale of the Series 2004 Bonds, including the premiums for municipal bond insurance and a debt service reserve fund policy. The Series 1995 Bonds which are not refunded with proceeds of the Series 2004 Bonds are referred to herein as the "Unrefunded 1995 Bonds." See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

PLAN OF REFUNDING

Concurrently with the delivery of the Series 2004 Bonds, a portion of the proceeds of the Series 2004 Bonds, together with other legally available monies of the County, will be deposited into an escrow deposit trust fund (the "Escrow Fund") pursuant to the terms and provisions of an Escrow Deposit Agreement, dated as of the date of delivery of the Series 2004 Bonds (the "Escrow Deposit Agreement"), between _____ (the "Escrow Agent") and the County. The monies deposited pursuant to the Escrow Deposit Agreement, other than a cash deposit, will be applied to the purchase of noncallable direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Escrow Investments"), so as to produce sufficient funds, together with any cash balance, to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds, as the same become due and payable or are redeemed. See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

Upon the deposit of such monies in the Escrow Fund, Bond Counsel shall render an opinion that, in reliance upon the report of _____, the Verification Agent, the pledge of the Pledged Funds, and all covenants, agreements and other obligations of the County under the Resolution to the holders of the Refunded Bonds shall terminate and be satisfied and discharged. The monies and securities on deposit in the Escrow Fund will not be available for payment of the Series 2004 Bonds.

From funds held under the Escrow Deposit Agreement, the Refunded Bonds will be redeemed in whole on October 1, 2005, at a redemption price of 102% of the par amount being redeemed, together with accrued interest through (but not including) the redemption date.

ESTIMATED SOURCES AND USES OF FUNDS

Upon the issuance and delivery of the Series 2004 Bonds the proceeds of the sale of the Series 2004 Bonds are expected to be deposited as follows:

Sources of Funds:

Principal of Series 2004 Bonds	\$
Net Original Issue Premium	
Other Available Monies	
Accrued Interest	_____
TOTAL SOURCES	\$

Uses of Funds:

Deposit to Escrow Fund	\$
Deposit to Interest Account	
Costs of Issuance ⁽¹⁾	_____
TOTAL USES	\$

⁽¹⁾ Includes underwriters' discount, municipal bond insurance policy premium, debt service reserve fund policy premium and various fees and expenses associated with the issuance of the Series 2004 Bonds.

THE SERIES 2004 BONDS

Description of the Series 2004 Bonds

The Series 2004 Bonds shall be dated as of _____, 2004, shall bear interest payable semiannually on April 1 and October 1, commencing on April 1, 2005, and shall mature on the dates and in the principal amounts as set forth on the cover page of this Official Statement.

As further described below, the Series 2004 Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). For so long as DTC or its nominee, Cede & Co., shall be the registered owner of the Series 2004 Bonds, all references in the Official Statement to "holder" or "registered owner" shall mean Cede & Co. and shall not mean the Beneficial Owners (as herein defined) of the Series 2004 Bonds. The principal of, redemption premium, if any, and interest on the

Series 2004 Bonds will be payable to the Beneficial Owners in the manner described under the heading "THE SERIES 2004 BONDS - Book-Entry Only System" herein. If DTC or its nominee, Cede & Co., shall no longer be the registered owner of the Series 2004 Bonds, such principal and redemption premium shall be payable when due upon presentation and surrender of the Series 2004 Bonds at the designated corporate trust office of _____, _____, _____, as Registrar and Paying Agent. Interest on the Series 2004 Bonds shall be payable on each interest payment date to the persons appearing as the registered owners thereof on the registration books on the 15th day of the month next preceding an interest payment date, at the designated corporate trust office of the Registrar, by check or draft mailed by the Registrar to such registered owner at his address as it appears on such registration books or, at the request and expense of the registered owner, by wire transfer to the account of such registered owner.

Redemption Provisions

Optional Redemption. The Series 2004 Bonds maturing on or after October 1, 20__ may be redeemed prior to their respective maturities, at the option of the County, from any moneys legally available therefor, upon notice as provided in the Resolution, in whole or in part at any time on or after October 1, 20__, and if in part, by lot within a maturity and in such selection of maturities as the County shall deem appropriate, at the redemption prices (expressed as percentages of principal amount of the Series 2004 Bonds to be redeemed), together with accrued interest to the redemption date, as follows:

Redemption Period (Both Dates Inclusive)	Redemption Price
October 1, 20__ through September 30, 20__	%
October 1, 20__ through September 30, 20__	
October 1, 20__ and thereafter	

fully registered bond certificate will be issued for each maturity of the Series 2004 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2004 BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2004 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2004 BONDS.

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2004 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2004 BONDS TO DTC PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2004 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2004 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DTC PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2004 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY 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. 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 (the "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 bond 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 (the "Indirect Participants" and, together with the Direct Participants, the "DTC Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC rules applicable to the DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of beneficial interests in Series 2004 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2004 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "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 Series 2004 Bonds will be accomplished by entries on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2004 Bonds, except in the event that use of the book-entry system for the Series 2004 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2004 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2004 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2004 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2004 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an 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. Beneficial Owners of Series 2004 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2004 Bonds, such as redemptions, defaults and proposed amendments to the Series 2004 Bond documents. For example, Beneficial Owners of Series 2004 Bonds may wish to ascertain

that the nominee holding the Series 2004 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Neither DTC nor Cede & Co. (nor such DTC nominee) will consent or vote with respect to the Series 2004 Bonds 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 Series 2004 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2004 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar and Paying Agent or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Registrar and Paying Agent, 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 Series 2004 Bonds at any time by giving reasonable notice to the County or the Registrar and the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, upon compliance with any applicable DTC rules and procedures, bond certificates will be printed and delivered to DTC.

The County does not have any responsibility or obligations to the DTC Participants or the Beneficial Owners with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant; (ii) the payment by DTC or any DTC

Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Series 2004 Bonds; (iii) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolution to be given to Bondholders; (iv) the timely delivery or implementation of any optional or mandatory tender notices or payments to, among, or between the County, the Registrar and the Paying Agent, DTC, the DTC Participants or the Beneficial Owners; (v) the selection of the Beneficial Owners to receive payments in the event of any partial redemption of the Series 2004 Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bondholder.

SECURITY FOR THE SERIES 2004 BONDS

Special Obligations

The Series 2004 Bonds are not general obligations or indebtedness of the County as "bonds" within the meaning of any constitutional or statutory provision, but are special obligations of the County, payable solely from and secured by a lien upon and pledge of the Pledged Funds (as defined herein), in accordance with the terms of the Resolution. No holder of any Series 2004 Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2004 Bond, or be entitled to payment of such Series 2004 Bond from any moneys of the County, except from the Pledged Funds in the manner provided in the Resolution.

Pledged Funds

The Series 2004 Bonds, the Unrefunded 1995 Bonds and any bonds issued on a parity therewith ("Additional Bonds," and collectively with the Series 2004 Bonds and the Unrefunded 1995 Bonds, the "Bonds") are secured equally and ratably by a pledge of and lien upon the "Pledged Funds" which consist of (1) the proceeds of the first five cents of the local option gas tax levied and received by the County pursuant to the Section 336.025(1)(b), Florida Statutes, plus, to the extent provided by subsequent resolution of the County, any additional local option gas tax received by the County pursuant to the Act and pledged by the County pursuant to such subsequent resolution (collectively, the "Local Option Gas Tax Revenues"); provided, however, the pledge of a portion of the Local Option Gas Tax Revenues may be released by the County in accordance with the Resolution and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in funds and accounts established under the Resolution, except (A) the Unrestricted Revenue Account and the Rebate Fund, and (B) to the extent moneys on deposit in the Reserve Account shall be pledged solely for the payment of a series of Bonds for which it has established in accordance with the

Resolution. Local Option Gas Tax Revenues do not include any of the six-cent local option tax levied by the County pursuant to Section 336.025(1)(a), Florida Statutes.

The County levies and receives other gas taxes, including the six cent local option gas tax, which are or may be subsequently pledged to secure other bonded indebtedness of the County. The holders of such indebtedness are not entitled to, and have no rights in and to, the Pledged Funds. The Pledged Funds do not include, nor does the County currently anticipate pledging, gas tax revenues, other than the Local Option Gas Tax Revenues described herein, for the payment of the Series 2004 Bonds.

Reserve Account

The Resolution requires the deposit in the Reserve Account of an amount equal to the Reserve Account Requirement, which term means, as of any date of calculation, an amount equal to the lesser of (1) Maximum Annual Debt Service for all outstanding Bonds, (2) 125% of the average annual debt service for all outstanding Bonds, or (3) 10% of the proceeds (within the meaning of the Code) of all series of which Bonds are outstanding.

[The Reserve Account Requirement for the Series 2004 Bonds and Unrefunded 1995 Bonds is \$_____ (Maximum Annual Debt Service). Such Requirement shall be satisfied by deposit of a Municipal Bond Debt Service Reserve Fund Policy into a separate subaccount of the Reserve Account upon issuance of the Series 2004 Bonds. Such Policy shall be issued by _____ in a face amount equal to the Reserve Account Requirement for the Series 2004 Bonds. See "MUNICIPAL BOND INSURANCE - Debt Service Reserve Fund Policy" herein. The subaccount of the Reserve Account in which such Policy shall be deposited shall secure only the Series 2004 Bonds, and not any Additional Bonds.]

Additional Bonds

No Additional Bonds payable on a parity with the Series 2004 Bonds and the Unrefunded 1995 Bonds shall be issued except upon the conditions and in the manner provided in the Resolution. The County may issue one or more series of Additional Bonds for any one or more of the following purposes: financing the cost of acquisition and construction of properties, facilities and improvements and operating and maintenance expenses as shall be permitted under the Act, or the completion thereof, or refunding any or all outstanding Bonds or any subordinated indebtedness of the County.

Under the terms of the Resolution, no such Additional Bonds shall be issued unless the following conditions are complied with:

(1) Except as otherwise provided in paragraph (2) below, there shall have been obtained and filed with the County a statement of the Clerk: (A) stating that the books and records of the County relating to the Local Option Gas Tax Revenues and Investment Earnings have been examined by him; (B) setting forth the amount of the Local Option Gas Tax Revenues and Investment Earnings which have been received by the County during any 12 consecutive months designated by the County within the 24 months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (C) stating that the amount of the Local Option Gas Tax Revenues and Investment Earnings received during the aforementioned twelve-month period equals at least 1.35 times the Maximum Annual Debt Service on all Bonds then outstanding and such Additional Bonds with respect to which such statement is made, and 1.00 times all Policy Costs due and owing during such period to all providers of a Reserve Account Insurance Policy or a Reserve Account Letter of Credit. For purposes of determining Investment Earnings as used in this paragraph, Investment Earnings shall be assumed to equal the lesser of (i) 5.5% per annum on the funds on deposit in the Reserve Account, and (ii) the accrued earnings thereon. For purposes of the test described above (i) if the County, by supplemental resolution, extends the pledge for the benefit of the Series 2004 Bonds to include additional local option gas tax revenues, such additional tax revenues shall be included as Local Option Gas Tax Revenues for the purposes of the statement of the Clerk, and if such additional tax was not in effect for the entire 12-month period, the amount of Local Option Gas Tax Revenues must be adjusted to reflect such additional tax revenues that would have been received if such tax had been in effect for such entire 12-month period, and (ii) in the event that the County releases any portion of the Local Option Gas Tax Revenues as provided in the Resolution, the Clerk shall assume that such released amount of Local Option Gas Tax Revenues was not in effect during such applicable 12-month period.

(2) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then outstanding, the above condition shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The conditions hereof shall apply to Additional Bonds issued to refund subordinated indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

Release of a Portion of the Local Option Gas Tax Revenues

In the event there shall have been filed with the County a statement of the Clerk (1) stating that the books and records of the County relating to the Local Option Gas Tax Revenues and Investment Earnings have been examined by him; (2) setting forth the total amount of the Local Option Gas Tax Revenues and Investment Earnings which have

been received by the County in each of the two Fiscal Years next preceding the Fiscal Year in which such statement is delivered; (3) setting forth the Maximum Annual Debt Service of all Bonds then outstanding; (4) setting forth the debt service coverage for each of such two Fiscal Years (calculated by dividing the Local Options Gas Tax Revenues and Investment Earnings set forth pursuant to clause (2) above by the Maximum Annual Debt Service set forth pursuant to clause (3) above); and (5) stating that the amount of Local Option Gas Tax Revenues and Investment Earnings received in each of such Fiscal Years is sufficient to (A) provide debt service coverage calculated pursuant to clause (4) above equal to or in excess of 1.35 times for each of such two Fiscal Years, and (B) to pay any Subordinated Indebtedness coming due during such two Fiscal Years for which Local Option Gas Tax Revenues were needed to pay such Subordinated Indebtedness; then, the County may, in its sole discretion, release the lien on and pledge of that portion of the Local Option Gas Tax Revenues in excess of the amount, which together with the Investment Earnings, is necessary to provide 1.35 times the Maximum Annual Debt Service coverage for each of such two Fiscal Years. Notwithstanding any other provision of the Resolution, any release of Local Option Gas Tax Revenues by the County pursuant to the immediately preceding sentence shall be in whole one cent (\$.01) increments, rounding downwards in the case of fractional wholes.

In the event the County, by supplemental resolution, extends the pledge of the Local Option Gas Tax Revenues created pursuant to the Resolution to include additional local option gas tax (including reinstatement of any local option gas tax pursuant to the Resolution) and such additional local option gas tax was not in effect during all or a portion of the two Fiscal Years period described in the immediately preceding paragraph, then for the purposes of determining whether there are sufficient Local Option Gas Tax Revenues to meet the coverage test specified in the immediately preceding paragraph, the Clerk shall adjust the amount of Local Option Gas Tax Revenues which were received during such two Fiscal Years to take into account the additional amount of Local Option Gas Tax Revenues such additional local option gas tax would have generated if it had been in effect for the entire two Fiscal Years period. In the event the County releases Local Option Gas Tax Revenues pursuant to the Resolution, then for the purpose of determining whether there are sufficient Local Option Gas Tax Revenues to meet the coverage tests specified in the immediately preceding paragraph, the Clerk shall assume that such released amount of the Local Option Gas Tax Revenues was not in effect during the entire two Fiscal Year period.

In the event the County desires to release one or more cents of the Local Option Gas Tax Revenues, pursuant to the Resolution, it shall accomplish the same pursuant to supplemental resolution and the Bonds shall be secured by and have a lien on and pledge of only that portion of the Local Option Gas Tax Revenues remaining after such release for payment of the principal of, or redemption price, if applicable, and interest on the

Bonds; provided, the County, in its sole discretion, may provide by supplemental resolution for the reinstatement of any amounts released pursuant to the Resolution.

LOCAL OPTION GAS TAX REVENUES

General

The "Local Option Gas Tax Revenues" consist of revenues derived by the County from the "Five Cents Local Option Gas Tax" levied pursuant to the Act, including Section 336.025, Florida Statutes and the Ordinance.

Historical Gasoline Sales in the County

The volume of motor and special fuel sold in the County is set forth below for the years indicated:

LEE COUNTY, FLORIDA NUMBER OF TAXABLE GALLONS SOLD⁽¹⁾

State Fiscal Year <u>Ended June 30</u>	<u>Motor Fuel</u>	Percentage Increase (Decrease)
1997	190,380,896	--
1998	196,277,167	%
1999	210,503,207	
2000	221,552,425	
2001	228,825,414	
2002	237,330,501	
2003	247,547,557	

Source: Florida Department of Revenue.

(1) The number of gallons shown represents fuel from which components of the Gas Tax Revenues are derived.

Five Cents Local Option Gas Tax

In General. Each county in the State is authorized to levy a tax, statutorily referred to as the "Local Option Fuel Tax," of between one cent and eleven cents per net gallon on motor fuel sold in such county in the form of two separate levies. The first levy is a tax of one to six cents and may be authorized in a county by an ordinance adopted by a majority vote of the governing body of a county or by voter approval in a county-wide

referendum. The County levies all six cents, which is not pledged to the payment of the Bonds.

The second levy is a tax of one to five cents which may be authorized in a county by an ordinance adopted by a majority plus one vote of the governing body of a county or by voter approval in a county-wide referendum. The County levies all five cents, which levy was approved by the Ordinance. This portion of the Local Option Fuel Tax is referred to herein as the "Five Cents Local Option Gas Tax." The definition of Local Option Gas Tax Revenues in the Resolution includes any additional local option gas tax revenues hereafter available pursuant to the Act and pledged by the County pursuant to supplemental resolution. The Five Cents Local Option Gas Tax is imposed on sales of motor fuel only.

Collection and Distribution. The Florida Department of Revenue ("FDOR") collects the Five Cents Local Option Gas Tax in each county and deposits the proceeds into the State's Local Option Fuel Tax Trust Fund. The Local Option Fuel Tax Trust Fund is subject to a 7.3% charge imposed by the State, representing a share of the cost of general government of the State. This charge is deducted from the Local Option Fuel Tax Trust Fund and is deposited in the General Revenue Fund of the State. Commencing July 1, 2005, such charge will be reduced; however, any increased amounts on deposit in the Local Option Fuel Tax Trust Fund as a result of such reduction will be deposited to the State Transportation Trust Fund and allocated to the County to fund certain County programs. In addition, FDOR is authorized to deduct certain administrative costs incurred in collecting, administering, enforcing and distributing the proceeds of such tax to the counties in an amount not to exceed 2% of total collections from the Local Option Fuel Tax Trust Fund.

The net proceeds collected from the Five Cents Local Option Gas Tax are distributed by FDOR to each eligible county and the eligible municipalities therein according to a distribution formula determined at the local level by interlocal agreement between the county and the municipalities within the county's boundaries representing a majority of the population of the incorporated area within the county. If no interlocal agreement is established, then the distribution is based on the relative transportation expenditures of the county and the municipalities therein for the preceding five years as described in Section 336.025, Florida Statutes.

There are five incorporated municipalities in the County. Pursuant to various interlocal agreements between the County and such municipalities (the "Interlocal Agreements"), the Five Cents Local Option Gas Tax revenues are currently divided among the County and the five municipalities, as follows:

<u>Recipient</u>	<u>Share of Proceeds of Five Cents Local Gas Tax</u>
Lee County	49.35%
City of Bonita Springs	5.05
City of Cape Coral	23.80
City of Fort Myers	14.00
City of Sanibel	5.00
Town of Fort Myers Beach	<u>2.80</u>
	100.00%

The Interlocal Agreement between the County and the Town of Fort Myers Beach determines the distribution percentage of the Town through September 30, 2008. The Interlocal Agreement between the County and the City of Bonita Springs determines the distribution percentage of the City through September 30, 2005. The Interlocal Agreements with the Cities of Cape Coral, Fort Myers and Sanibel determine the distribution of such Cities through December 31, 2023. Pursuant to the terms of their respective Interlocal Agreements, the distribution percentage of the Town of Fort Myers Beach and the Cities of Bonita Springs, Fort Myers and Sanibel will not increase over those shown above. The distribution percentage of the City of Cape Coral may be modified from time to time to take into account resident populations of the City and the County. Additionally, the Interlocal Agreements provide that the Five Cents Local Option Gas Tax distributed to the County will not be reduced below the amount necessary for the payment of principal and interest and reserves for principal and interest as required under the covenants of any bond resolution outstanding on the date of establishment of a new percentage distribution of Five Cents Local Option Gas Tax pursuant to the Interlocal Agreements.

Under Florida law, any newly incorporated municipality located in a county levying the Five Cents Local Option Gas Tax is entitled to receive a share of the tax revenues. However, the amounts distributed to a new municipality may not materially or adversely affect the rights of holders of outstanding bonds backed by the Five Cents Local Option Gas Tax, and the amounts distributed to the county and each pre-existing municipality may not be reduced below the amount necessary to pay principal and interest and reserves for principal and interest as required under the covenants of any bond resolution outstanding on the date of incorporation of a new municipality.

Eligibility. In order to be eligible to receive a distribution of funds from the Local Option Fuel Tax Trust Fund, each county or municipality must have:

(1) reported its finances for its most recently completed fiscal year to the State Department of Financial Services as required by Florida law;

(2) made provisions for annual postaudits of financial accounts in accordance with provisions of law;

(3) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of 3 mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such 3 mill ad valorem tax, to have received certain revenues from a county (in the case of a municipality), collected an occupational license tax, utility tax, or levied ad valorem tax, or received revenue from any combination of those four sources;

(4) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;

(5) certified that persons in its employ as firefighters meet certain employment qualifications are eligible for certain compensation;

(6) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual postaudit of its financial accounts in accordance with law; and

(7) certified to FDOR that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county or municipality as required by law.

Any funds otherwise undistributed because of ineligibility of a county or municipality shall be distributed to the eligible governments within the applicable county in proportion to other monies distributed pursuant to Section 336.025, Florida Statutes.

The County represents that it has been in compliance with the statutory eligibility requirements for the Five Cents Local Option Gas Tax in the past and has covenanted to do so in the future.

Use of Revenue. Generally, county and municipal governments may use monies received from the Local Option Fuel Trust Fund only for transportation expenditures, defined as:

- (1) public transportation operation and maintenance;
- (2) roadway and right-of-way maintenance and equipment and structures used primarily for the storage and maintenance of such equipment;
- (3) roadway and right-of-way drainage;
- (4) street lighting;
- (5) traffic signs, traffic engineering, signalization and pavement markings;
- (6) bridge maintenance and operation; and
- (7) debt service and current expenditures for transportation capital projects in the foregoing program areas, including the construction and reconstruction of roads and sidewalks.

In addition, the authorized use of such monies is further limited to transportation expenditures needed to meet the requirements of the capital improvements element of a city's or county's comprehensive plan or for expenditures needed to meet immediate local transportation problems and for other transportation related expenditures that are critical for building comprehensive roadway networks by local governments.

County Revenue Data. The County has levied the Five Cents Local Option Gas Tax since January 1, 1994, and it currently levies the Five Cents Local Option Gas Tax of five cents upon every gallon of motor fuel (but not diesel fuel) sold in the County. The Five Cents Local Option Gas Tax is distributed to the County and five municipalities therein in accordance with the Interlocal Agreements. The County initially received 64% of the Five Cents Local Option Gas Tax pursuant to the Interlocal Agreements in 1993 and currently receives 49.35%. **Such percentage is subject to recalculation (including reduction) under certain circumstances.** See discussion under "LOCAL OPTION GAS TAX REVENUES - Five Cents Local Option Gas Tax - *Collection and Distribution*" above. However, the Act and the terms of the Interlocal Agreements provide that under no circumstances shall any recalculation of the Five Cents Local Option Gas Tax materially or adversely affect the rights of the holders of outstanding bonds, including the Series 2004 Bonds.

The following table sets forth the amount of historical Five Cents Local Option Gas Tax revenues received by the County for the Fiscal Years ended September 30, 1994 through 2003.

**LEE COUNTY, FLORIDA
FIVE CENTS LOCAL OPTION GAS TAX REVENUES**

Fiscal Year Ended <u>September 30</u>	Five Cents Local Option Gas Tax <u>Revenues Received⁽¹⁾</u>	Percentage Increase <u>(Decrease)</u>
1994	\$ ⁽²⁾	--
1995		%
1996		
1997		
1998		
1999		
2000		
2001		
2002		
2003		

(1) Derived from audited figures.

(2) This amount reflects the partial year revenues received between January 1, 1994 and September 30, 1994.

The amount of Five Cent Local Option Gas Tax received by the County is dependent upon numerous factors, including the amount of motor fuel sold in the County. Furthermore, incorporation of additional municipalities within the County could affect the amount of Five Cent Local Option Gas Tax distributable to the County. Under certain circumstances, the County's allocation may be recalculated (including reduction) pursuant to the Act and the Interlocal Agreements. The amount of Five Cent Local Option Gas Tax received by the County may be adversely impacted by changes in the supply or demand for or the price of motor fuel. Most of the factors that affect the amount of Five Cent Local Option Gas Tax distributable to the County are beyond the control of the County.

Debt Service Coverage

The following table sets forth the debt service coverage ratio for the Series 2004 Bonds and Unrefunded 1995 Bonds based on the Five Cents Local Option Gas Tax received by the County for the Fiscal Year ended September 30, 2003.

DEBT SERVICE COVERAGE

Total Five Cents Local Option Gas Tax Revenues (Fiscal Year <u>Ended 09/30/03</u>) ⁽¹⁾	Maximum Annual Debt Service for the Series 2004 Bonds and Unrefunded <u>1995 Bonds</u>	Debt Service Coverage for the Series 2004 Bonds and Unrefunded <u>1995 Bonds</u>
\$	\$	

(1) Derived from audited figures.

MUNICIPAL BOND INSURANCE

[TO COME]

DEBT SERVICE SCHEDULE

The following table presents debt service due on the Series 2004 Bonds and the Unrefunded 1995 Bonds.

<u>Year Ending</u> <u>October 1</u>	<u>Unrefunded</u> <u>1995 Bonds</u>	<u>Series 2004 Bonds</u>		<u>Debt Service</u> <u>Total</u>
		<u>Principal</u>	<u>Interest</u>	

Totals

THE COUNTY

Lee County, Florida encompasses approximately 811 square miles, is located on the west coast of Florida and is bordered by Charlotte County to the north, Hendry County to the east and Collier County to the south. Incorporated municipalities located within the County include the Cities of Fort Myers, Cape Coral, Sanibel, Bonita Springs and the Town of Fort Myers Beach. The unincorporated communities include Lehigh Acres, Estero, North Fort Myers, Tice, Alva, Pine Island, Matlacha and Captiva Island. The U.S. Department of Commerce, Bureau of the Census has determined Lee County be the third fastest growing SMSA in the United States for the last ten years. The population of the County for Fiscal Year 2002-2003 was 495,088, representing a 4.2% increase from its Fiscal Year 2001-2002 population.

The administration of the County is a County-Manager form of government. The County Manager, the chief administrative official of the County, is appointed by and serves under contract to the Board of County Commissioners. The County Manager is directly responsible to the Board for administration and operation of all the eight operating departments: County Administration, Human Services, Visitor & Convention Bureau, Community Development, Economic Development and within the Public Works

area of county administration are Environmental Services, Transportation and Planning & Construction. In addition, there are eight separate divisions under the County Manager – Purchasing, Public Resources, Human Relations, Information Technology, Public Safety, Library, Public Recreation Services and Transit. The County Manager is also responsible to the Board for the implementation of all Board policies, for the preparation of the County Budget, and for control of expenditures throughout the budget year. For further information regarding the County, see "APPENDIX A – GENERAL INFORMATION CONCERNING LEE COUNTY, FLORIDA."

INVESTMENT POLICY

The Investment Policy of the County (the "Investment Policy") applies to all monetary assets of the government of the Lee County Board of County Commissioners in excess of those required to meet current expenses. In accordance with the County's Ordinance No. 94-33, as the same was amended and restated by Ordinance No. 01-08, the administration of all financial affairs of the County is delegated to the Clerk, and the Clerk has imposed restrictions into the Investment Policy beyond those established by Ordinance. Investments related to deferred compensation, bond proceeds, debt service funds and funds held by other agencies (Tax Collector, State of Florida) during collection may be further limited or expanded by their respective resolutions, covenants, contracts, or policies and shall not be considered to be in conflict with the Investment Policy.

All monetary assets of the Board which are recorded to the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, Enterprise Funds, Internal Service Funds, Trust and Agency Funds, and other funds that exist or may be created from time to time shall be administered in accordance with the provisions of the Investment Policy. The Board uses the pooled cash concept. The funds which are part of pooled cash vary dependent upon bond documents, internal/departmental requirements, etc.

The stated investment obligations set forth in the Investment Policy are as follows:

A. Safety of principal is the foremost objective of the Board. Each investment transaction shall seek to first ensure that capital losses are avoided, whether from security defaults or erosion of market value. Purchases and sales shall be made for investment purposes and not speculation.

B. The investment portfolio will remain sufficiently liquid to enable the Board to meet operating requirements, which may be reasonably anticipated.

C. In investing public funds, the Clerk will strive to maximize the return on the portfolio and to preserve the purchasing power, but will avoid assuming unreasonable investment risk.

Authorized investments include: (A) Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government at the then prevailing market price for such securities (Treasury bills, notes and/or bonds and State and Local Government Series); (B) U.S. Government sponsored Corporation/Instrumentalities; (C) U.S. Government Agencies; (D) the Florida Local Government Surplus Funds Trust Fund (State of Florida State Board of Administration); (E) Interest-bearing time deposits or savings accounts; (F) securities of, or other interest in, certain open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended from time to time; (G) term repurchase agreements with any primary brokers/dealers who report daily to the New York Federal Reserve Bank so long as such agreements meet certain restrictions in the Investment Policy; (H) overnight repurchase agreements with collateral consisting of securities described in (A), (B) or (C) above, held by the trust department of the bank or custodian bank; (I) Bonds, notes, or obligations of any state of the United States, any municipality, political subdivision, agency, or authority of the State of Florida, which are exempt from federal income taxation, if such obligations are insured and rated by at least one of the nationally recognized rating agencies for municipal bonds in any one of the two highest classifications; (J) S.E.C. –registered, no load money market mutual funds whose portfolios consist of tax exempt securities and repurchase agreements; (K) Florida Local Government Investment Trust; and (L) S.E.C. –registered money market mutual funds with average portfolio maturities under 120 days, whose investment objectives include seeking to maintain a stable price of \$1.00 per share.

The following investments are prohibited: (A) Collateralized Mortgage Obligations; (B) Reverse Repurchase Agreements, Securities Lending; and (C) Leverage Purchases (i.e., purchases on margin.) Further restrictions set forth in the Investment Policy may apply to the authorized investments.

The Investment Policy may be modified from time to time by the Board of County Commissioners of Lee County, Florida. A copy of the Investment Policy may be obtained from the Clerk.

LITIGATION

There is no litigation or controversy of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 2004 Bonds or any proceedings of the County taken with respect to the authorization, sale or issuance of said Series 2004 Bonds or the pledge or application of any moneys provided for the payment of the Series 2004 Bonds or having any significant effect on the Local Option Gas Tax Revenues.

LEGALITY

Certain legal matters in connection with the issuance of the Series 2004 Bonds are subject to the approval of legality of Squire, Sanders & Dempsey L.L.P., Tampa, Florida, Bond Counsel, whose approving opinion (a form of which is attached hereto as APPENDIX D) will be available at the time of delivery of the Series 2004 Bonds. Certain legal matters will be passed on for the County by Robert W. Gray, Esq., [Interim] County Attorney. Certain legal matters will be passed on for the County by its Disclosure Counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

TAX MATTERS

General

In the opinion of Squire, Sanders & Dempsey LLP, Bond Counsel, under existing law, (a) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2004 Bonds is excluded from gross income for federal income tax purposes, (b) interest on the Series 2004 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) the Series 2004 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2004 Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants of the County to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2004 Bonds are and will remain obligations, the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with these requirements by the County may cause the interest on the Series 2004 Bonds to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to the date of issuance of the Series 2004 Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2004 Bonds to be and to remain excluded from

gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

Under the Code, a portion of the interest on the Series 2004 Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. In addition, interest on the Series 2004 Bonds 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 S corporations.

Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2004 Bonds. Bond Counsel will express no opinion regarding those consequences.

Purchasers of the Series 2004 Bonds at other than their original issuance at the respective prices indicated on the cover of this Official Statement should consult their own tax advisers regarding other tax considerations such as the consequences of market discount.

Original Issue Discount and Original Issue Premium

Certain of the Series 2004 Bonds ("Discount Bonds") as indicated on the cover of this Official Statement were offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity are sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2004 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the price for that

Discount Bond stated on the cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2004 Bonds ("Premium Bonds") as indicated on the cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield must be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial offering at the price for that Premium Bond stated on the cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount Bonds or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

UNDERWRITING

The Series 2004 Bonds are being purchased by _____ and _____ (collectively, the "Underwriters") at an aggregate price of \$ _____ (which takes into account net original issue premium of \$ _____ and Underwriters' discount of \$ _____), plus accrued interest to the date of delivery. The Underwriters obligations are subject to certain conditions precedent and they will be obligated to purchase all of the Series 2004 Bonds if any Series 2004 Bonds are purchased. The Series 2004 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2004 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY LAWS

Pursuant to Section 517.051, Florida Statutes, as amended by Chapter 87-316, Laws of Florida, no person may directly or indirectly offer or sell securities of the County except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "Department"). Pursuant to Rule 3E 400.003, Florida Administrative Code, the Department has required the disclosure of any amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the County, and certain additional financial information, unless the County believes in good faith that such information would not be considered material by a reasonable investor.

The Series 2004 Bonds do not constitute a general debt, liability or obligation of the County, but are instead secured by Pledged Funds. Accordingly, the County, in good faith, believes that the disclosure of any default on bonds with respect to which the County was merely a conduit County and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered appropriate or 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 with respect to such conduit bond issues.

Notwithstanding the foregoing, the County is not and since December 31, 1975, has not been, in default as to principal of and interest on bonds or other debt obligations for which either ad valorem or non-ad valorem revenues of the County are pledged.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the Series 2004 Bondholders to provide certain financial information and operating data relating to the County and the Series 2004 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The County has agreed to file annual financial information and operating data and its audited financial statements with each nationally recognized municipal securities information repository then approved by the Securities and Exchange Commission (the "NRMSIRs"), as well as any state information depository that is established in the State (the "SID"). Currently, there are no such SIDs. The County has agreed to file notices of material events, when and if they occur, with the NRMSIRs or the Municipal Securities Rulemaking Board, and with the SIDs, if any.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are

described in "APPENDIX E – FORM OF THE CONTINUING DISCLOSURE CERTIFICATE" attached hereto. The Continuing Disclosure Certificate shall be executed by the County prior to the issuance of the Series 2004 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

With respect to the Series 2004 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. The County has never failed to comply with any prior agreements to provide continuing disclosure information pursuant to the Rule.

RATINGS

Moody's Investors Service, Inc., Standard & Poor's Ratings Services and Fitch Ratings are expected to give the Series 2004 Bonds ratings of "Aaa," "AAA" and "AAA," respectively, based upon the understanding that _____ will issue its Policy insuring the Series 2004 Bonds upon delivery thereof. Such rating agencies may have obtained and considered information and material which have not been included has not been included in this Official Statement. Generally, the rating agencies base their ratings on information and material so furnished and on investigations, studies and assumptions made by them. The ratings reflect only the views of the rating agency and an explanation of the significance of such rating may be obtained from them. No assurance can be given that the rating will be maintained for any given period of time or that the rating may not be revised downward or withdrawn entirely by the rating agencies, if, in their judgment, circumstances warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the market price of the Series 2004 Bonds. The Underwriters and the County have undertaken no responsibility after issuance of the Series 2004 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same.

FINANCIAL STATEMENTS

The Basic Audited Financial Statements of the County for the Fiscal Year ended September 30, 2003, and report thereon of a firm of independent certified public accountants engaged by the County is attached hereto as APPENDIX B. Such financial statements, including the auditors report, have been included in this Official Statement as public documents and consent from the County's auditor was not requested. The auditor has not performed any services relating to, and is therefore not associated with, the issuance of the Series 2004 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the holders of the Series 2004 Bonds upon a monetary or covenant default under the Resolution are in many respects based upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Resolution and the Series 2004 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2004 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments, by limitations imposed by general principles of equity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The accuracy of (a) the arithmetical computations of the adequacy of the maturing principal and interest earned on the investments in the Escrow Fund, together with initial cash balances, to pay when due or upon earlier redemption, the principal of, redemption premium, if any, and interest on the Refunded Bonds, and (b) the arithmetical computations supporting the conclusion that the Series 2004 Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, have been verified by _____.

FINANCIAL ADVISOR

Public Financial Management, Inc., Fort Myers, Florida, serves as financial advisor (the "Financial Advisor") to the County and, in that capacity, has provided advice in connection with the planning, structuring and issuance of the Series 2004 Bonds. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2004 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisor may also provide the County with certain investment services, including providing investments for the Escrow Fund and/or funds and accounts created under the Resolution.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the Board of County Commissioners of Lee County, Florida. At the time of delivery of the Series 2004 Bonds, the Chairman of the Board of County Commissioners and the Clerk of the Circuit Court and Ex-Officio Clerk to the Board of County Commissioners will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that the Official Statement, as of its date and as of the date of delivery of the Series 2004 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

LEE COUNTY, FLORIDA

By: _____
Chairman, Board of County Commissioners

By: _____
Clerk of the Circuit Court and Ex-Officio Clerk
to the Board of County Commissioners

APPENDIX A

General Information Concerning Lee County, Florida

APPENDIX A

GENERAL INFORMATION CONCERNING LEE COUNTY, FLORIDA

INTRODUCTION

Lee County, Florida (the "County") was founded in 1887 and named in honor of General Robert E. Lee. The County, located on the Gulf coast of Florida, encompasses approximately 811 square miles including several small islands in the Gulf of Mexico. The County is bordered by Charlotte County to the north, Hendry County to the east and Collier County to the south. Three incorporated municipalities are located on the mainland: Fort Myers (the County seat), Bonita Springs and Cape Coral; Fort Myers Beach, a fourth municipality, is located on Estero Island and a fifth municipality, Sanibel, is situated on the island of the same name. The unincorporated communities include Lehigh Acres, Estero, North Fort Myers, Tice, Alva, Pine Island, Matlacha and Captiva Island.

The following table shows the number of square miles within each incorporated municipality and the County:

<u>Land Area</u>	<u>Square Miles</u>
Fort Myers	21.4
Cape Coral	113.6
Sanibel	14.2
Fort Myers Beach	2.7
Bonita Springs	33.0
Unincorporated Area	<u>626.4</u>
Lee County Total	811.3

Source: Lee County Budget Services

Lee County's climate can be classified as subtropical with temperatures averaging from 64 degrees Fahrenheit in January to 82 degrees Fahrenheit in August.

POPULATION

The County is coterminous with the Fort Myers - Cape Coral Metropolitan Statistical Area ("MSA"). The U.S. Department of Commerce, Bureau of the Census has determined it to be the third fastest growing MSA for the last ten years. The County's population has increased from 205,266 in 1980 to 335,113 in 1990, an increase of 63.26%. This compares to a 32.83% increase for Florida and a 9.80% increase for the nation. The 2000 Census population for Lee County was 440,888 representing a 31.56% increase over 1990. This growth compares to a 23.53% population increase for Florida

between 1990 and 2000 and a 13.05% population gain for the United States between 1990 and 2000. The estimated 2003 population for Lee County was 495,088.

Of the State's 20 MSA's based upon 2000 designations, the Fort Myers - Cape Coral MSA moved from 13th in size in 1970 to 10th in 2001. The table below shows the population data for the County, the State of Florida, and the United States.

Population
Lee County, Florida and the United States

<u>Year/Period</u>	<u>Lee County⁽¹⁾</u>	<u>Florida</u>	<u>United States⁽⁴⁾</u>
1960 ⁽²⁾	54,539	4,951,560	179,323,000
1970 ⁽²⁾	105,216	6,791,418	203,302,000
1980 ⁽²⁾	205,266	9,739,992	226,542,000
1990 ⁽²⁾	335,113	12,937,926 ⁽³⁾	248,718,000
1995 ⁽⁵⁾	376,702	14,149,317	262,765,000
1996 ⁽⁵⁾	383,706	14,411,563	265,190,000
1997 ⁽⁵⁾	394,244	14,712,922	267,744,600
1998 ⁽⁵⁾	405,637	15,000,475	270,299,000
1999 ⁽⁵⁾	417,114	15,322,040	272,330,000
2000 ⁽²⁾	440,888 ⁽²⁾	15,982,378	281,421,906
2002	475,073	16,674,608	287,973,924
2003	495,088	17,071,508	290,809,777

⁽¹⁾ Fort Myers-Cape Coral MSA

⁽²⁾ Source: U.S. Department of Commerce, Bureau of the Census.

⁽³⁾ Florida population is as of April 1, 1990.

⁽⁴⁾ United States population is as of April 1 for 1960-2000. From 1995 to 1999, the population is as of July 1.

⁽⁵⁾ Estimated. Source: U.S. Department of Commerce, Bureau of the Census; Statistical Abstract of the U.S. (United States); University of Florida, Bureau of Economic & Business Research (Florida and Lee County).

Percentage in Population Growth
Lee County, Florida and the United States

<u>Year/Period</u>	<u>Lee County⁽¹⁾</u>	<u>Florida</u>	<u>United States</u>
1960-1970	92.92%	37.16%	13.40%
1970-1980	95.09	43.42	11.40
1980-1990	63.26	32.83	9.80
1990-2000	31.56	23.53	13.15
2000-2002	7.75	4.33	2.47
2003-2008 (Projected)	7.95	9.83	7.88

⁽¹⁾ Fort Myers-Cape Coral MSA

Sources: U.S. Department of Commerce, Bureau of the Census; University of Florida, Bureau of Economic and Business Research.

The following table shows the population for the County for April 1, 1981 through 2000 and 2002 with projections for 2005 and 2010 as estimated by the University of Florida, Bureau of Economic and Business Research.

**Population Growth
Lee County
1981-2010**

April 1	Existing and Estimated Population⁽²⁾	% Annual Growth
1981	214,867	4.68%
1982	227,300	5.77
1983	235,465	3.61
1984	251,768	6.92
1985	264,367	5.00
1986	277,375	4.92
1987	293,713	5.89
1988	307,526	4.70
1989	324,520	5.53
1990	335,113	3.26
1991	346,287	3.33
1992	353,251	2.01
1993	360,759	2.12
1994	371,727	3.04
1995	382,830	2.99
1996	391,257	2.20
1997	402,838	2.96
1998	413,952	2.76
1999	427,180	3.17
2000	440,888	3.20
2001	454,918	3.15
2002	475,073	4.43
2003	495,088	4.21
2005 ⁽¹⁾	523,900	18.83 (2000-2005)
2010 ⁽¹⁾	592,700	13.13 (2005-2010)

⁽¹⁾ Projected population.

⁽²⁾ Not seasonally adjusted. The population estimates for the years between 1990 and 2000 were reevaluated by BEBR since Census 2000 figures were released and are reflected in the table.

Source: University of Florida, Bureau of Economic and Business Research ("BEBR") (1981-2003).
2005 and 2010 – Florida Population Studies.

The change in the distribution of Lee County's population over the past three decades is concentrated in two age groups, 14 and under and 65 and over. The percentage of persons in the 65 years and older age group in Lee County grew from 12.7% of the total population in 1960 to 24.9% in 2002. The proportion of people age 65 and over comprised 11.2% of the State's total population in 1960 and 17.4% in 2002. While the number of older persons in Lee County increased, the proportion of people in the under age 14 group dropped from 28.5% in 1960 to 16.4% in 2002. This shift in the population distribution can be attributed to the influx of retirees into the area.

The following table provides a profile in the composition of the population by sex, race and age.

**Percent Composition of Population by Sex, Race and Age
Lee County and State of Florida
1960, 1970, 1980, 1990, 2000, 2001 and 2002⁽¹⁾**

Lee County

	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total	54,539	105,216	205,266	335,113	440,888	454,918	475,073
<u>Sex</u>							
Male	49.7%	48.5%	48.1%	48.3%	48.8%	48.8%	48.8%
Female	50.3	51.5	51.9	51.7	51.2	51.2	51.2
<u>Race</u>							
White	84.3	88.2	90.4	90.4	87.6	87.6	91.5
Non-White	15.7	11.8	9.6	7.5	12.4	12.4	8.5
<u>Age</u>							
0-14	28.5	23.7	17.5	16.5	16.5	16.4	16.1
15-24	11.3	12.7	13.7	10.3	9.4	9.6	9.7
25-44	23.8	19.2	21.9	26.6	24.0	23.5	22.9
45-64	23.7	25.6	24.6	21.7	24.8	25.6	26.0
65 & over	12.7	18.8	22.3	24.8	25.3	24.9	25.3

State of Florida

	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total	4,951,560	6,791,418	9,739,992	12,937,926	15,982,378	16,330,601	16,674,608
<u>Sex</u>							
Male	49.2%	48.2%	48.0%	48.4%	48.8%	48.8%	48.8%
Female	50.8	51.8	52.0	51.6	51.2	51.2	51.2
<u>Race</u>							
White	82.0	84.2	84.0	84.4	78.0	77.8	81.9
Non-White	18.0	15.8	16.0	15.6	22.0	22.2	18.1
<u>Age</u>							
0-14	29.6	25.8	19.3	18.6	19.0	18.9	18.6
15-24	12.9	15.8	16.6	12.9	12.2	12.4	12.5
25-44	25.8	22.2	15.1	30.4	28.6	28.0	27.4
45-64	20.6	21.6	21.6	19.8	22.6	23.3	23.9
65 & over	11.2	14.6	17.3	18.3	17.6	17.4	17.6

Note: Percentages may not add to 100.0 due to rounding.

⁽¹⁾ Most recent information available. Updated data is expected to be available in July 2004.

Sources: U.S. Department of Commerce, Bureau of the Census; University of Florida, Bureau of Economic and Business Research, Division of Population Studies.

COUNTY FINANCES

Fund Structure

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purpose of the County's various funds and account groups are as follows:

Governmental Funds

General Fund. The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Funds of the Board and the Constitutional Offices are accounted for in the Fund

Special Revenue Funds. Special Revenue Funds are used to account for proceeds of specific revenue sources (other than expendable trusts or capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds. Debt Service Funds are used to account for accumulation of resources to be used for payment of governmental fund's principal, interest and related costs.

Capital Projects Funds. Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital facilities and infrastructure other than those financed by the Proprietary Funds.

Permanent Fund. Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's program.

Proprietary Funds

Enterprise Funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds. Internal Service Funds are used to account for the financing of goods or services provided by one County department or agency to other departments or agencies of the County on a cost reimbursement basis, including depreciation.

Fiduciary Funds

Trust and Agency Funds. Trust and Agency Funds are used to account for assets held by the County in a trustee capacity, or as an agent for individuals, private organizations, other governments and/or other funds. The County currently reports only agency funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared on a full accrual basis using the economic resources measurement focus, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized in the year for which they are levied.

Grants and similar items are recognized as revenues as soon as all of the eligibility requirements imposed by the provider have been met. Fiduciary fund financial statements are also prepared on an accrual basis.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund that include user fees, tolls, rental and franchise fees, and concessions. Non-operating revenues are not related to the operations of the proprietary fund and include taxes, interest earnings, grants, and passenger facility charges. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations such as interest expense and excess fees.

Governmental fund financial statements are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. The County considers all revenues available if they are collected within sixty days after year-end. Primary revenues, such as property taxes, special assessments, inter-governmental revenues, charges for services, sales and franchise taxes, rents, and interest are treated as susceptible to accrual under the modified accrual basis and so have been recognized as revenues. Expenditures reported in governmental fund financial statements are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule includes principal and interest on general long-term debt, which is recognized when due.

Budget Process

The County's annual budget is prepared pursuant to Chapters 129 and 200, Florida Statutes. Chapter 129, Florida Statutes, requires that the County's budget be balanced every fiscal year.

The Division of Budget Operations, as staff to the County Manager, prepares and submits to the Board the annual budget for the succeeding Fiscal Year beginning October 1. Prior to the presentation to the Board, the various departments submit budget requests and prepare recommendations for the County Manager's consideration. A summary of the tentative budget is advertised and reviewed publicly, and may be revised prior to its adoption by the Board before Fiscal Year end. The Board has granted considerable authority and flexibility to management in amending and controlling the budget and expending funds within the legal appropriation. The legally adopted total appropriation for a fund may only be changed by resolution of the Board. Only the Board may approve an increase of a fund's budget and may transfer funds from an appropriated reserve to an expenditure appropriation or change the amounts budgeted for a Constitutional Officer (Clerk of Courts, Property Appraiser, Supervisor of Elections, Sheriff and Tax Collector). Full authority to transfer budgetary amounts other than in these instances is delegated to the County Manager or Budget Director.

Capital Improvement Program

The County's five-year capital improvement program is prepared pursuant to Chapter 163, Part II, Florida, Statutes, which requires that governmental facilities be planned, funded and completed in a manner which assures locally defined service standards will be met as growth occurs.

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") presents an Award for Distinguished Budget Presentation to governmental units which qualify by publishing a budget document which satisfies established criteria as a policy document, an operations guide, a financial plan and a communications medium. The County's budget conformed to these program requirements and the Board received the GFOA award for the eighteen most recent Fiscal Years.

In addition, GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the eighteen most recent Fiscal Years. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year.

DEBT OF THE COUNTY

The Series 2004 Bonds are not general obligations of the County. General obligation bonds are supported by ad valorem taxes levied on real and personal property without limit as to rate or amount. Article VII, Section 12 of the Constitution of the State of Florida requires approval of the electors to authorize obligations payable from ad valorem taxation other than refunding obligations.

Pursuant to its general powers and to statutory authority as interpreted by the Court of Florida, the County also issues obligations which are not payable from ad valorem taxes and thus do not require approval of the electors. The Series 2004 Bonds covered by this Official Statement are included in this latter category. In these issues, appropriate categories of non-ad valorem revenues of the County legally available for payment of the bonds are normally pledged. In addition, the County may also issue bond anticipation notes without obtaining voter approval. Bond anticipation notes are payable from the proceeds of a future bond issue.

The following tables show the details of the County's general obligation bonds and bond anticipation notes, special obligation bonds and notes, principal and interest requirements of general obligation bonds, and underlying indebtedness of the several municipalities within the County and significant comparative ratios of debt to population and to the County's tax base.

Lee County
Computation of Direct and Overlapping Bonded Debt
(dollars in thousands)
September 30, 2003

DIRECT BONDED DEBT

Non Self-Supporting Bonded Debt

Capital Revenue Bonds, Series 1992	\$3,940
Local Option Gas Tax Refunding Revenue Bonds, Series 1993	4,790
Road Improvement Refunding Revenue Bonds, Series 1993 ¹	5,760
Capital and Transportation Facilities Refunding Revenue Bonds, Series 1993A ²	41,005
Capital Refunding Revenue Bonds, Series 1993B	22,273
Tourist Development Tax Refunding Revenue Bonds, Series 1994	8,615
Five Ccnt Local Option Gas Tax Revenue Bonds, Series 1995	29,345
Capital Revenue Bonds, Series 1995A	5,685
Capital Refunding Revenue Bonds, Series 1997A	18,950
Local Option Gas Tax Refunding Revenue Bonds, Series 1997	14,680
Capital Refunding Revenue Bonds, Series 1999A	36,190
Capital Revenue Bonds, Series 2000	16,260
Certificates of Participation, Series 1993	10,935
Certificates of Participation, Series 1996	6,450
Capital Revenue Bonds, Series 1995B - MSBU	<u>1,755</u>
Total Non Self-Supporting Bonded Debt	<u>\$226,633</u>

Self-Supporting Bonded Debt

Passenger Facility Charge Revenue and Refunding Bonds, Series 1998	\$42,350
Airport Revenue Bonds, Series 2000A	291,155
Airport Revenue Bonds, Series 2000B	36,180
Airport Revenue Refunding Bonds, Series 2002	36,465
Water and Wastewater Refunding Revenue Bonds, Series 1993	9,880
Water and Wastewater Revenue Bonds, Series 1999A	127,445
Water and Sewer Refunding and Revenue Bonds, Series 2003A&B	65,525
Transportation Facilities Revenue Bonds, Series 1995 ³	89,330
Transportation Facilities Refunding Revenue Bonds, Series 2001A	63,175
Solid Waste System Revenue Bonds, Series 1995	25,790
Solid Waste System Refunding Revenue Bonds, Series 2001	<u>131,930</u>
Total Self-Supporting Bonded Debt	<u>\$ 919,225</u>

Total Direct Bonded Debt	\$1,145,858
Less: Self-Supporting Bonded Debt	<u>919,225</u>

NET DIRECT BONDED DEBT \$ 226,633

¹ The Series 1993 Bonds were refunded in full after fiscal year end. The amount outstanding for refunding bonds (Series 2003) is \$4,953,129.11

² The Series 1993A Bonds were refunded after fiscal year end. The amount outstanding for refunding bonds (Series 2003) is \$40,815,000.

³ The Series 1995 Bonds were partially refunded after fiscal year end. \$32,680,000 remains outstanding. \$58,375,000 of refunding bonds (Series 2004B) are outstanding.

Lee County
Computation of Direct and Overlapping Bonded Debt (continued)
(dollars in thousands)
September 30, 2003

UNDERLYING DEBT

Board of County Commissioners:	
Non Self-Supporting Bonded Debt	\$ 1,280
Total Board of County Commissioners	<u>1,280</u>
East County Water Control District:	
Self-Supporting Bonded Debt	<u>7,910</u>
Total East County Water Control District	<u>7,910</u>
City of Fort Myers:	
Non Self-Supporting Bonded Debt	91,151
Self-Supporting Bonded Debt	<u>105,961</u>
Total City of Fort Myers	<u>197,112</u>
City of Cape Coral:	
Non Self-Supporting Bonded Debt	10,780
Self-Supporting Bonded Debt	<u>205,099</u>
Total City of Cape Coral	<u>215,879</u>
City of Sanibel:	
Non Self-Supporting Bonded Debt	8,110
Self-Supporting Bonded Debt	<u>43,806</u>
Total City of Sanibel	<u>51,916</u>
Lee County School District:	
Self-Supporting Bonded Debt	<u>256,740</u>
Total Lee County School District	<u>256,740</u>
TOTAL UNDERLYING BONDED DEBT	730,837
LESS: Self-Supporting Bonded Debt	<u>619,516</u>
NET UNDERLYING BONDED DEBT	<u>\$ 111,321</u>
TOTAL NET DIRECT AND NET UNDERLYING BONDED DEBT	<u>\$ 337,954</u>

Sources: East County Water Control District
City of Fort Myers
City of Cape Coral
City of Sanibel
Lee County School District
Lee County Finance Department

**Lee County
Current Debt Ratios
September 30, 2003**

FACTORS:

Assessed Valuation ⁽¹⁾	\$ 42,906,549,800
Net Taxable Assessed Valuation ⁽¹⁾	\$ 36,912,809,576
Direct Ad Valorem Debt	-0-
Underlying Ad Valorem Debt	\$ 12,060,000
Direct Non Self-Supporting Revenue Debt	\$ 226,633,000
Underlying Non Self-Supporting Revenue Debt	\$ 111,321,000
Population of Lee County ⁽²⁾	497,022
Estimated Actual Value Per Capita	\$ 86,327
Net Taxable Assessed Valuation Per Capita	\$ 74,268

DEBT RATIOS:

Direct Ad Valorem Debt as a Percent of Net Taxable Assessed Value (\$-0-)	0.00%
Direct and Underlying Ad Valorem Debt as a Percent of Net Taxable Assessed Value (\$12,060,000/\$36,912,809,370)	0.0327%
Direct Ad Valorem Plus Direct Non Self-Supporting Revenue Debt as a Percent of Net Taxable Assessed Value (\$226,633,000/\$36,912,809,370)	0.6140%
Direct and Underlying Ad Valorem Plus Direct and Underlying Non Self-Supporting Revenue Debt as a Percent of Net Taxable Assessed Value (\$337,954,000/\$36,912,809,370)	0.92%
Direct Ad Valorem Debt Per Capita (\$-0-)	0.00%
Direct and Underlying Ad Valorem Debt per Capita (\$12,060,000/497,022)	\$ 24.26
Direct Ad Valorem Debt Plus Direct Non Self-Supporting Revenue Debt Per Capita (\$226,633,000/497,022)	\$ 455.98
Direct and Underlying Ad Valorem Plus Direct and Underlying Non Self-Supporting Revenue Debt Per Capita (\$337,954,000/497,022)	\$ 679.96

⁽¹⁾ Source: Lee County Property Appraiser.

⁽²⁾ Source: Florida Population Studies, Volume 36, No. 3, Bulletin 136, April 2003; Bureau of Economic and Business Research, University of Florida

PROPERTY VALUE DATA

Lee County, Florida

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(dollars in thousands)

Fiscal Year	Real Property		Personal Property		Other ¹		Total		Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1994	17,923,440	22,559,507	1,456,189	1,488,057	2,152	2,152	19,381,781	24,049,716	80.59
1995	18,410,668	23,218,244	1,503,604	1,537,770	1,712	1,712	19,915,984	24,757,726	80.44
1996	19,093,017	24,129,666	1,551,154	1,564,775	2,390	2,390	20,646,561	25,696,831	80.35
1997	19,727,809	24,993,846	1,593,061	1,610,307	2,632	2,632	21,323,502	26,606,785	80.14
1998	20,553,615	25,918,488	1,641,130	1,652,412	2,458	2,458	22,197,203	27,573,358	80.50
1999	21,686,608	27,273,553	1,684,923	1,693,589	2,586	2,586	23,374,117	28,969,728	80.68
2000	23,443,998	29,370,905	1,810,781	1,830,755	2,713	2,713	25,257,492	31,204,373	80.94
2001	25,923,714	32,342,750	1,990,902	2,121,860	2,711	2,711	27,917,328	34,467,322	80.99
2002	29,617,195	36,997,373	2,253,785	2,406,175	2,776	2,776	31,873,757	39,406,325	80.88
2003	34,314,657	43,445,504	2,595,379	2,773,925	2,773	2,773	36,912,809	46,222,203	79.86

¹ Railroad and telegraph companies.

Source: Lee County Property Appraiser

Lee County, Florida

PRINCIPAL TAXPAYERS

(dollars in thousands)

September 30, 2003

Taxpayer	Type of Business	2003 Assessed Valuation	Percentage of Total Assessed Valuation of \$36,912,809
1. Florida Power & Light	Electric Utility	\$718,786	1.947
2. Sprint - Florida	Communications	368,421	0.998
3. Lee County Electric Coop	Electric Utility	208,021	0.564
4. Christian and Missionary Alliance, Inc.	Developer	120,972	0.328
5. Edison Mall Business Trust	Developer	86,615	0.235
6. Long Bay Partners LLC	Developer	69,806	0.189
7. Miromar Outlet West LLC	Developer	49,152	0.133
8. Gatorland Vistas	Developer	42,980	0.116
9. Centex Homes	Developer	41,421	0.112
10. West Bay Club Development Corp.	Developer	40,779	0.110
Total		\$1,746,953	4.732

Source: Lee County Property Appraiser

EMPLOYEE RELATIONS

As of September 30, 2003, the Lee County Board of Commissioners had 2,289 employees. The Constitution of the State of Florida gives employees the right to bargain collectively. Currently, the County has two collective bargaining units, the Lee County Port Authority and Lee County Emergency Medical Services which have a total of 263 employees that are members.

Pension Plan

All County officers and employees are members of the Florida Retirement System which was established in 1970 pursuant to Chapter 121, Florida Statutes. Employers pay all contributions in an amount equal to a specified percentage of that member's gross compensation based upon the employee's classification. The County's contribution for the Fiscal Year ending September 30, 2003 was \$15,000,000 which was 9% of the County's covered payroll for the same period of time.

THE ECONOMY

Labor Force, Employment and Unemployment

The labor force of the County has increased steadily from 140,724 in 1988 to 184,924 in 2000, a gain of 31.4%. The labor force in 2003 was [217,125] for a gain of [17.4%] since 2000. The following table shows unemployment rates for Lee County, the State of Florida and the United States from 1977 to 2003. The annual average employment covered by unemployment compensation law by major industry group follows.

Unemployment Rates
Lee County, Florida and the United States
1977-2003

<u>Fiscal Year</u>	<u>County</u>	<u>State</u>	<u>National</u>
1977	6.9%	8.2%	7.1%
1978	4.9	6.6	6.1
1979	5.0	6.0	5.8
1980	4.7	5.9	7.1
1981	5.3	6.8	7.6
1982	7.9	8.2	9.7
1983	8.1	8.6	9.6
1984	5.3	6.3	7.5
1985	4.8	6.0	7.2
1986	4.2	5.7	7.0
1987	3.8	5.3	6.2
1988	3.6	5.0	5.5
1989	3.9	5.6	5.3
1990	3.8	6.0	5.6
1991	6.0	7.4	6.8
1992	7.4	8.3	7.5
1993	5.7	7.0	6.9
1994	4.9	6.6	6.1
1995	4.2	5.5	5.6
1996	3.8	5.1	5.4
1997	3.4	4.8	4.9
1998	3.0	4.3	4.5
1999	2.6	3.9	4.2
2000	2.6	3.6	4.0
2001	3.2	4.8	4.8
2002	4.0	5.3	5.9
2003	4.0	5.1	6.0

Source: Florida Department of Labor and Employment Security, Bureau of Research and Economic Analysis, Labor Force Summary.

**Lee County
Average Monthly Employment Covered by
Unemployment Compensation**

Category	Annual Average Employment			Percent of Total			
	1997	1998	1999	2000	1997	1998	1999
All Industries	147,630	152,933	157,282	162,877	100.00	100.00	100.00
Agriculture, Forestry and Fishing	3,638	3,535	3,430	3,556	2.46	2.31	2.18
Manufacturing	6,765	6,961	6,908	7,181	4.58	4.55	4.39
Mining and Construction	12,181	13,385	15,265	16,427	8.25	8.75	9.71
Transportation and Public Utilities	6,792	7,341	7,271	6,659	4.61	4.80	4.62
Wholesale and Retail Trade	42,187	43,761	45,134	46,755	28.58	28.61	28.70
Finance, Insurance and Real Estate	8,530	8,658	9,200	8,706	5.78	5.66	5.85
Services	43,076	44,247	44,374	47,362	29.18	28.93	28.21
Government	24,461	25,045	25,700	26,231	16.56	16.39	16.34

Source: Florida Department of Labor and Employment Security, Bureau of Labor Market Information, ES-202 Program in Cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Employers

Major employers located within Lee County together with the total number of employees employed by each are presented below. Information shown is as of September 30, 2003.

**Lee County
10 Largest Employers**

Name of Firm	Industry	Number of Employees
The Lee County School Board	Education	8,558
Lee Memorial Health Systems	Health Care/Hospitals	4,526
Wal-Mart Corporation	Discount Retailer	2,518
Publix Super Markets	Grocer-stores	2,365
Lee County Government (*)	Government	2,289
Southwest Florida Regional Medical Center	Health Care/Hospitals	1,500
Interstate Hotels and Resorts	Resort Services	1,413
Bonita Bay Group	Residential developers	1,400
City of Cape Coral	Government	1,198
U.S. Postal Service	Government	1,137

(*) Includes Lee County Port Authority personnel
Source: Lee County Finance Department and Lee County Office of Economic Development

Tourism

A combination of favorable climate and available recreational activities including public beaches, tennis courts, golf courses and theaters has made tourism a major industry in the County. For Fiscal Year 2003 (October, 2002 to September, 2003),

tourism generated \$11,188,603 in resort taxes. In the year ended December 31, 2003 the tourism industry employed (directly and indirectly) 37,645 residents or 21.4% of the working labor force and generated (directly and indirectly) \$1.893 billion in wages. 2,001,828 tourists visited the County and spent approximately \$1.094 billion in the County in Calendar Year 2003.

Agribusiness

Agriculture remains an important factor to the State and southwest region's economy. The following table shows 1993 to 2000 (the most recent years for which figures were available) agricultural production by commodity for Lee County.

Agricultural Production and Commodity

<u>Product</u>	<u>Production 1992-1993 Acreage</u>	<u>Production 1993-1994 Acreage</u>	<u>Production 1994-1995 Acreage</u>	<u>Production 1995-1996 Acreage</u>	<u>Production 1996-1997 Acreage</u>	<u>Production 1997-1998 Acreage</u>	<u>Production 1998-1999 Acreage</u>	<u>Production 1999-2000 Acreage</u>	<u>Production 2001-2002 Acreage</u>
Ornamental Plants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tomatoes	2,800	3,000	2,725	2,475	2,100	1,770	1,150	1,400	N/A
Citrus	N/A	12,238	N/A	12,155	N/A	11,782	11,594	11,594	11,874
Cucumbers	1,450	N/A	N/A	500	N/A	N/A	N/A	N/A	N/A
Squash	1,100	2,200	1,600	1,150	450	1,150	550	300	N/A
Watermelon	1,600	1,400	1,000	800	800	1,000	1,000	1,000	N/A
Bell Peppers	1,350	800	1,265	N/A	625	700	N/A	N/A	N/A
Tropical Fruit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Florida Department of Agriculture and Consumer Services, Florida Agricultural Statistics Service.

According to a University of Florida report published in the early 1980's, about 118,000 of the 513,920 acres in Lee County were agricultural. That was down from 142,509 in 1959. Due to increasing land values, farmers who remain are turning to the production of more valuable crops, such as citrus and ornamental plants. An increase in citrus production occurred due to the citrus-killing freezes in Central Florida in 1977, 1980, 1981 and 1985 which forced farmers to move citrus south into southwest Florida. That increase is reflected in the acreage figures listed above in which citrus acreage in Lee County grew 26.3% between 1990-1991 and 1993-1994.

The ornamental plant industry includes over 1,000 wholesale and retail ornamental nurseries in southwest Florida selling potted plants, ornamental plants for landscaping, sod and cuttings. The flower industry in the County is primarily concentrated in the packing and marketing of flowers cultivated in the neighboring counties of Collier, Charlotte and Hendry. Approximately 22,000 head of beef and dairy cattle graze on 129,001 acres of land with annual revenues of approximately \$2 million.

Income

The analysis of income and effective buying income is presented in the following tables.

**Personal Income by Industry Classification
1980, 1990, and 2000
Lee County
(in Millions)**

<u>Industry</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>Percent Change 1990-2000</u>
Manufacturing	\$ 52.70	\$ 162.00	\$ 274.50	69.4
Construction	171.50	408.10	711.30	74.3
Transportation, Communications and Utilities	76.70	188.50	358.20	90.0
Trade (Wholesale and Retail)	256.50	668.40	1,242.20	85.8
Finance, Insurance and Real Estate	97.00	273.30	635.10	132.4
Services	249.60	1,055.40	1,906.10	80.6
Government (State, Federal and Local)	157.00	545.30	1,094.90	100.8
Agriculture, Services and Farms	<u>19.80</u>	<u>43.40</u>	<u>83.70</u>	<u>92.9</u>
Total	\$1,080.80	\$3,344.40	\$6,306.00	47.0

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Personal Income by Major Source & Earnings by Industry

**Effective Buying Income
2003
Lee County and Florida**

	<u>Total EBI (000)</u>	<u>Median Household EBI</u>	<u>Under \$20,000</u>	<u>\$20,000- 34,999*</u>	<u>\$35,000- 49,999*</u>	<u>\$50,000 & Over*</u>
Lee County	10,276,350	37,050	20.7	26.1	21.2	32.0
Cape Coral	2,092,438	39,560	17.0	25.3	23.7	34.0
Fort Myers	746,873	27,120	35.2	29.2	16.2	19.4
Florida	330,261,544	36,599	23.1	24.6	19.5	32.8

* Percentages do not add up to 100% because figures for households with an effective buying income of less than \$20,000 are not included.

Source: Sales and Marketing Management,
2003 Survey of Buying Power.

**Median Household Effective Buying Income
Lee County, Florida and United States
1990-2003**

	<u>1990</u>	<u>1999</u>	<u>2000</u>	<u>2003</u>	<u>Percent Change 2000-2003</u>
Lee County	\$26,730	\$32,550	\$34,334	\$37,050	7.9
Cape Coral	31,280	35,941	37,195	39,560	6.4
Fort Myers	21,557	25,712	26,397	27,120	2.7
Florida	25,914	32,109	33,581	36,599	9.0
United States	27,912	35,377	37,233	38,035	2.2

Source: Sales and Marketing Management, Survey of Buying Power, 1990, 2000 and 2003.

**Retail Sales
Lee County
2003
(in thousands)**

	<u>Total Retail Sales</u>	<u>Food</u>	<u>Eating and Drinking Places</u>	<u>General Merchandise</u>	<u>Furniture/ Appliance</u>	<u>Automotive</u>	<u>Other</u>
Lee County	\$7,716,415	\$1,116,123	\$575,669	\$762,084	\$393,051	\$2,363,034	\$2,506,454
Cape Coral	885,183	210,524	73,399	130,380	39,220	115,021	316,639
Fort Myers	2,012,668	64,742	79,197	125,051	93,139	1,203,268	447,271

Source: Sales and Marketing Management, 2003 Survey of Buying Power.

Construction

Due to the population growth, construction activity in the County has been steady. The following table presents residential building activity in the County for 1995 through December, 2003 with the City of Bonita Springs representing 3 months activity, City of Fort Myers representing 11 months and the Town of Fort Myers Beach reporting 5 months activity. All other jurisdictions are for 12 months.

Total Residential Building Permits, Lee County

Year	Single Family				Multi Family				
	Cape Coral	Fort Myers	Sanibel	Unincorporated	Total County	Cape Coral	Fort Myers	Sanibel	Unincorporated
1995	\$ 48,603	3,130	20,743	437,190	\$509,667	872	19	65	2,072
1996	\$57,706	3,575	17,239	540,283	\$618,802	1,041	43	54	2,539
1997	\$62,250	6,670	16,166	525,887	\$613,173	1,189	45	48	2,254
1998	\$82,123	42,343	23,593	675,958	\$824,017	1,420	70	72	2,433
1999	\$147,969	58,880	24,819	790,192	\$1,021,860	1,719	120	74	2,809
2000	\$196,868	35,251	38,018	1,013,679	\$1,283,816	1,753	163	105	3,131
2001	\$27,348	611,137	44,630	1,100,642	\$1,463,757	2,558	108	131	3,602
2002	\$331,676	86,495	27,416	1,014,108	\$1,459,695	2,985	327	47	3,790
YTD 2003 (through December 2003)	\$470,177	129,132	19,307	1,280,238	\$1,943,925	4,316	398	40	4,622
Total County									
Unincorporated									
Fort Myers Beach (1)									
Sanibel									
Fort Myers									
Cape Coral									
Total County									
Unincorporated									
Fort Myers Beach (1)									
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EDUCATION

The County School System operates 74 schools: 36 elementary, 13 middle, 7 high, 5 combination, 8 exceptional student centers, 2 vocational/technical schools and 3 alternative schools. For the 2002-2003 school year a total of 62,566 students were enrolled. Fifty-five (55) private schools are also located in the County.

Five colleges serve the region: Edison Community College, Florida Gulf Coast University, Barry University, International College and Southwest Florida College. Edison Community College offers certificates and associates degrees while Florida Gulf Coast University offers bachelor and graduate degrees. Barry University offers certificates and bachelors degrees. International College offers associate, bachelor and master degrees while Southwest Florida College offers certificates and associate degrees.

TRANSPORTATION

Highways

Interstate 75 is presently the principal north-south highway. It is a four-lane road stretching from the Canadian border at Sault Ste. Marie, Michigan to Miami, Florida, on the east coast of Florida. U.S. Highway 41, also a north-south highway, is a limited-access four-lane road for most of the distance between Bradenton to the north and Naples to the south, connecting the Fort Myers SMSA with Tampa to the north and Miami via the route of the Tamiami Trail. State Road 80 connects with U.S. Highway 27 in the central part of the State, providing additional access to the Orlando/central Florida area and the east coast from Palm Beach, north.

Bus Service

Greyhound Bus Lines with a terminal in Fort Myers offers daily scheduled service for nationwide thru-line and charter service. Local bus service is provided by Lee Tran, a transit system operated by the County.

Truck Line

Approximately thirty (30) interstate and intrastate truck lines serve Lee County.

Rail Transportation

Rail transportation, for both freight and passenger excursions, is provided by Seminole Gulf Railway. The rail line is approximately ninety miles long and connects Lee County with the national rail system in Arcadia. Seminole Gulf provides connecting truck distribution services to off-rail system accounts.

Airports

There are two airports in the County: the Southwest Florida International Airport and Page Field General Aviation Airport. The Southwest Florida International Airport

opened on May 14, 1983. It is located on a 5,016-acre site seven miles southeast of the center of Fort Myers, three miles from Interstate 75. An additional 5,736 acres have been set aside for environmental mitigation.

Page Field General Aviation Airport is situated on a 670-acre site in Fort Myers and is presently used for general aviation purposes.

	<u>Southwest Florida International Airport</u>	<u>Page Field</u>
Runway length	12,000 by 150 feet	6,400 by 150 feet
Runway length		5,000 by 150 feet
Main terminal	329,453 square feet	
Cargo building	37,500 square feet	
Maintenance building	12,000 square feet	
Inspection station	38,000 square feet	
Training facility	8,500 square feet	

<u>Calendar Year</u>	<u>Enplanements</u>	<u>Deplanements</u>	<u>Total</u>	<u>Air Freight</u>	<u>Air Mail</u>
				(in thousands of pounds)	
1993	1,876,588	1,841,170	3,717,758	16,996.3	6,637.6
1994	2,024,906	1,980,161	4,005,067	19,071.3	8,449.4
1995	2,072,457	2,025,807	4,098,264	19,556.6	8,471.2
1996	2,188,127	2,129,220	4,317,347	24,536.2	9,017.9
1997	2,262,360	2,215,505	4,477,865	25,651.7	8,355.1
1998	2,358,258	2,308,949	4,667,207	28,533.4	4,196.1
1999	2,470,114	2,427,139	4,897,253	29,799.7	3,255.3
2000	2,632,093	2,575,119	5,207,212	31,676.0	3,166.2
2001	2,760,542	2,702,529	5,463,071	32,080.6	2,644.2
2002	2,534,254	2,483,228	5,017,482	32,515.3	2,480.2
2003	2,882,773	2,823,059	5,705,832	30,946.7	2,987.8

The Southwest Florida International Airport is presently served by the following airlines:

<u>Major Carriers</u>	<u>Domestic Charters</u>	<u>International Charter</u>	<u>Commuter Airlines</u>	<u>All Cargo Carriers</u>
Air Tran	Southeast	Air Canada	American Eagle	United Parcel Service
American	Sun Country	LTU Airways	Comair	Federal Express
Am Trans Air	Miami Air	Air Transit	Cape Air	Airborne Express
Continental	Champion Airlines	Condor	Chataqua	
Delta	Casino Express	Jetsgo	Continental Connection	
Midwest Exp	Ryan			
Northwest				
United				
USAir				
Spirit				
USA 3000				
Frontier				
Jet Blue				

Source: Lee County Port Authority

Water Transportation

Florida's fifth largest deep water port is located at Boca Grande on Charlotte Harbor in the northeast section of the County. The port is 32 feet deep and approximately 300 feet in width. The Okeechobee Waterway provides a navigable link between the Gulf of Mexico and the Atlantic Ocean via the Caloosahatchee River, Lake Okeechobee and the St. Lucie Canal.

HEALTH CARE FACILITIES

	<u>Number of Beds</u>	<u>Physicians on Staff</u>	<u>Number of Employees</u>
East Pointe Hospital	88	133	265
Southwest Florida Regional Medical Center	400	638	1100
Gulf Coast Hospital	120	403	322
Lee Memorial -Cape Coral	281	*	*
Lee Memorial – Cleveland	427	803	5807
Lee Memorial - Health Park	238	*	*
Hope Hospice	52	10	481

Source: Health Planning Council of Southwest Florida.

* Physicians and employees of Lee Memorial work at each of the three Lee Memorial hospitals in Lee County.

RECREATION FACILITIES

There are 102 parks in Lee County as well as a Nature Center and Children's Museum, the "Ding" Darling Wildlife Sanctuary, country clubs, auditoriums, Thomas Edison's and Henry Ford's Homes, over 45 marinas and 32 golf courses that are open to the public. The following facilities are also available.

Number of Parks	52
Racquetball and tennis courts (maintained by County)	54
Libraries	11
Gulf Beaches	5

Source: Lee County.

PUBLIC LODGING AND FOOD ESTABLISHMENTS

As of July 1, 2002, there were 1,281 licensed food establishments in Lee County with a seating capacity of 117,558, 42 licensed hotels with a total of 4,984 units and 137 licensed motels with a total of 4,836 units.

COMMUNICATIONS

There are 19 newspapers and 11 magazines servicing the Lee County area as well as 40 radio stations and 8 television broadcast facilities. Telephone service is available through Sprint, and telegraph service through Western Union.

MUNICIPALITIES OF CAPE CORAL, FORT MYERS, FORT MYERS BEACH, BONITA SPRINGS AND SANIBEL GENERAL INFORMATION

City of Cape Coral General Information

Incorporated in 1970, the City of Cape Coral lies on a peninsula that is bordered by the Gulf of Mexico on the west and the Caloosahatchee River on its eastern shore. With an area of 106 square miles, the City is Florida's second largest city in land area. The City of Cape Coral is governed by a Mayor and seven Council members. A city manager, chosen by the Council, is the chief administrator.

Growth has occurred primarily in the southeastern portion of the City. More than 90% of Cape Coral's urban development is situated in this quadrant, covering less than 35% of the City's total acreage. The 2000 Census population was 102,286. The estimated 2003 population is 120,439. The resulting additional residential and commercial development will mostly progress toward the north and the west. The City is presently composed of residential homes, many of which are waterfront condominiums, rental units and commercial establishments, consisting of shops, office buildings and service oriented establishments. Proposed land use plans for the City indicate that the primary proposed land use includes high density residential development, commercial businesses and recreational facilities.

City of Fort Myers General Information

Built originally as Fort Harvie in 1841, Fort Myers was a military base until the end of the Civil War. The City itself was platted in 1876 and underwent a slow growth on the grounds of the old military base and along the Caloosahatchee River. The twentieth century brought uneven growth, with the "Boom Times" bringing tremendous growth in the 1920's and the "Great Depression" creating havoc in that growth. Today, the growth is gradual but constant, as the City plans on revitalizing old neighborhoods and preparing the infrastructure and civic needs of new developments. For the future, the City plans on straightening its boundaries to include all the land between Interstate 75 and the river approximately north of Page Field, as well as some land just north of the Six Miles Cypress Slough and west of I-75 in order to provide better services to the area. As of December, 1990, the City included approximately 16 square miles of land. The 2000 Census population was 48,208. The estimated 2003 population is 52,527. The City of Fort Myers is administered by a Mayor and five City Council members.

Town of Fort Myers Beach General Information

The Town of Fort Myers Beach was incorporated on January 1, 1996. The area includes a 2.7 square mile area known as Estero Island. According to the 1990 census, there were 5,815 permanent residents with 7,420 housing units. Only 40% of those units were occupied on a full-time basis. Estero Island is separated from the mainland on the north by Estero Bay. Its southern shore is on the Gulf of Mexico. The island is connected to the mainland on its western side by the Matanzas Bridge and on the east to

Bonita Beach by a causeway. The major beach road is Estero Boulevard. The 2000 Census population was 6,561. The estimated 2003 population is 6,792.

City of Bonita Springs General Information

On December 31, 1999, the City of Bonita Springs became an incorporated municipality in the State of Florida. The City of Bonita Springs includes 33.0 square miles and has a 2000 Census population of 32,797. The estimated 2003 population is 39,906.

Sanibel General Information

Sanibel and Captiva Islands (connected by the Blind Pass Bridge) lie about 2.5 miles off the west coast of Florida near Fort Myers at the entrance to the Caloosahatchee River which provides a deep water channel to Fort Myers. Sanibel Island is 14 miles long and 3 miles wide at some points and Captiva Island is 6 miles long and about .5 miles wide. The islands possess what is said to be some of the most famous beaches in the world for shell collecting. Some 300 different varieties of shells are found, including many rare specimens. Lying across the prevailing currents, the islands have a long southern exposure, each high tide bringing a new charge of shells to the beach. Sanibel has gained national recognition for the Sanibel Shell Fair which has been held in the Spring for 35 years, the "Ding" Darling Wildlife Sanctuary and a month-long Fall Festival. Fishing is an important recreation. A public free fishing pier is provided and Blind Pass Bridge is equipped with pedestrian lanes for fishing.

Of the 11,317 total land acres on Sanibel Island, 4,754 are held by the H.N. "Ding" Darling National Wildlife Refuge and 540 by the Sanibel-Captiva Conservation Foundation, leaving 6,023 acres not preserved by federal or Conservation owned lands.

The permanent population of Sanibel in 1960, prior to completion of the Sanibel Bridge, was estimated at 300. The 1970, 1980 and 1990 census figures were 818, 3,692 and 5,468 respectively. The 2000 Census population was 6,064. The estimated 2003 population is 6,224.

The City of Sanibel was incorporated November 5, 1974. Soon after incorporation the City employed Wallace Roberts and Todd of Philadelphia to draft a Comprehensive Land Use Plan. The Plan has been adopted by the City Planning Commission and is currently in effect. Under the Plan there will be no building permits and no conventional zoning; however, building will be based on development permits that will be obtained only after consideration of a number of factors, primarily of an ecological nature. For instance, the only freshwater river on a Florida island must not be damaged and the sea oats and other vegetation which control beach erosion may not be destroyed. Bird rookeries, and fish and alligator breeding areas are to be protected.

The City is governed by a mayor and four council members while a City Manager directs the administration of the City affairs.

APPENDIX B

**Audited Basic Financial Statements for the County for Fiscal Year
Ended September 30, 2003**

APPENDIX C

Form of Resolution

APPENDIX D

Form of Opinion of Bond Counsel

APPENDIX E

Form of Continuing Disclosure Certificate

APPENDIX F

Specimen Municipal Bond Insurance Policy