

ORDINANCE NO. 133

ORDINANCE PROVIDING FOR THE ACQUISITION, CONSTRUCTION AND ERECTION OF EXTENSIONS AND IMPROVEMENTS TO THE MUNICIPAL WATER FACILITIES OF THE TOWN OF MEXICO BEACH, FLORIDA; AUTHORIZING THE ISSUANCE BY THE TOWN OF NOT EXCEEDING \$143,500 PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 1982, TO FINANCE A PART OF THE COST THEREOF; PLEDGING THE GROSS REVENUES OF SAID FACILITIES TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS; AND AUTHORIZING ISSUANCE BY THE TOWN OF NOT EXCEEDING \$143,500 PRINCIPAL AMOUNT OF 1982 WATER REVENUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SAID BONDS, PROVIDING FOR THE PAYMENT OF SAID NOTES AND ENTERING INTO CERTAIN COVENANTS AND AGREEMENTS WITH THE HOLDERS THEREOF.

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BE IT ORDAINED BY THE PEOPLE OF THE TOWN OF MEXICO BEACH, FLORIDA, as follows:

ARTICLE I

GENERAL

1.01 Definitions. When used in this Instrument, the following terms shall have the following meanings, unless the text clearly otherwise requires:

"Authorized Depository" shall mean a state banking corporation or national banking association situated in the State of Florida, which is a member of the Federal Deposit Insurance Corporation and which is eligible under the Laws of the State of Florida to receive municipal funds.

"Bonds" shall mean the obligations of the Issuer authorized to be issued pursuant to Section 2.01 of this Instrument.

"Clerk" shall mean the Town Clerk of the Issuer.

"Construction Account" shall mean the account or accounts created pursuant to Section 3.03 of this Instrument for the purpose of receiving the proceeds to be derived from the sale of the Bonds and/or the proceeds to be derived from the sale of the Notes, hereinafter defined, and other funds to pay the Cost, hereinafter defined, of the Project, hereinafter defined.

"Cost," when used in connection with the Project, shall mean all expenses necessary, appurtenant or incidental to the acquisition and construction of the Project, including without limitation the cost of any land or interest therein or of any fixtures, equipment or personal property necessary or convenient therefor, the cost of labor and materials to complete such construction, engineering and legal expenses, fiscal expenses, expenses for estimates of costs and of revenues, expenses for plans, specifications and surveys, interest during construction, administrative expenses related solely to the acquisition and construction of the Project and all expenses incident to the financing of the Project and the issuance of the Bonds and the Notes.

"Facilities" shall mean the complete water system now owned, operated and maintained by the Issuer, together with any and all improvements, extensions and additions thereto hereafter constructed or acquired, including the Project.

"Federal Securities" shall mean direct obligations of the United States of America and obligations the principal of and

interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor.

"Government" shall mean the United States of America, acting through the Farmers Home Administration, U.S. Department of Agriculture.

"Gross Revenues" shall mean all moneys derived from Rates, hereinafter defined, or otherwise received by the Issuer or accruing to it in the management and operation of the Facilities, all calculated in accordance with accepted accounting methods employed in the operation of public water systems similar to the Facilities.

"Holder" shall mean the bearer or owner of any outstanding Bond or Bonds or Note or Notes, registered as to principal and interest, registered to bearer or not registered, or the payee of a single fully-registered Bond or such payee's assignee.

"Instrument" shall mean this ordinance and all ordinances amendatory hereof which may be hereafter duly enacted by the Issuer.

"Issuer" shall mean the Town of Mexico Beach, Florida.

"Mayor-Councilman" shall mean the Mayor-Councilman of the Issuer.

"Notes" shall mean the obligations of the Issuer authorized to be issued pursuant to Section 4.01 of this Instrument.

"Notes Payment Account" shall mean the account created pursuant to Section 4.03(A) of this Instrument for the purpose of receiving the proceeds to be derived from the sale of the Bonds or the sale of bond anticipation notes issued to extend and renew the indebtedness evidenced by the Notes, a portion of the proceeds to be derived from the sale of the Notes and other moneys required to pay the principal of and interest on the Notes as the same shall become due.

"Operating Expenses" shall mean the current expenses, paid or accrued, for the operation, maintenance and repair of all facilities of the Facilities, as calculated in accordance with such accepted accounting methods, and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Issuer related solely to the Facilities, labor, cost of materials and supplies used for such operation and charges for the accumulation of appropriate re-

serves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with such accepted accounting methods, but shall exclude payments into the Sinking Fund, hereinafter defined, or the Reserve Account, hereinafter defined, and any allowance for depreciation or for renewals or replacements of capital assets of the Facilities.

"Original Instrument" shall mean the ordinance enacted by the Issuer on November 14, 1978, as supplemented by the ordinance enacted by the Issuer on November 27, 1979, authorizing issuance of the Parity Obligations.

"Parity Obligations" shall mean the Issuer's outstanding Water Revenue Bonds authorized to be issued pursuant to an ordinance enacted by the Issuer on November 14, 1978 and the Issuer's outstanding Water Revenue Bonds, Series 1980, authorized to be issued pursuant to an ordinance enacted by the Issuer on November 27, 1979.

"Pledged Funds" shall mean the Gross Revenues.

"Project" shall mean the extensions and improvements to the Facilities to be constructed pursuant to the authorization contained in this Instrument in accordance with certain plans and specifications now on file with the Clerk.

"Rates" shall mean the rates, fees, rentals and other charges to be made and collected by the Issuer for the use of the facilities to be provided by the Facilities.

"Reserve Account" shall mean the account in the Sinking Fund created pursuant to the provisions of Section 3.04(C)(3) of the Original Instrument into which the Issuer shall make monthly deposits for the purpose of maintaining a reserve fund for the payment of the principal of and interest on the Parity Obligations and the Bonds.

"Sinking Fund" shall mean the account created pursuant to the provisions of Section 3.04(C) of the Original Instrument into which the Issuer shall make monthly deposits for the payment of the principal of and interest on the Parity Obligations and the Bonds.

1.02 Authority for this Instrument. This Instrument is enacted pursuant to the provisions of Part III, Chapter 166, Florida Statutes (1981), Section 3.04(H) of the Original Instrument and other applicable provisions of law.

1.03 Findings. It is hereby found and determined that:

(A) For the benefit of its inhabitants, the Issuer presently owns and operates the Facilities, and the Project is necessary for the continued preservation of the health, welfare, convenience and safety of the Issuer and its inhabitants.

(B) The Issuer has been advised by its consulting engineers and it is hereby found and determined that the estimated Cost of the Project is \$352,000, \$143,500 of which shall be financed ultimately with the proceeds of the sale of the Bonds and which shall be financed initially with the proceeds of the sale of the Notes. The balance of such Cost shall be paid from a federal grant in the amount of \$208,500.

(C) The revenues to be derived annually from the Rates, will be sufficient to pay, as the same shall become due and payable, the principal of and interest on the Parity Obligations and the Bonds and Operating Expenses. It is estimated that the period of usefulness of the Facilities will exceed forty-one years.

(D) It is deemed necessary and desirable to pledge the Pledged Funds to the payment of the principal of and interest on the Bonds and the Notes. No part of the Pledged Funds have been pledged or hypothecated except with respect to the Notes, the Bonds and the Parity Obligations. The Original Instrument, in Section 3.04(H) thereof provides for the issuance of additional parity obligations under the terms, limitations and conditions provided therein; and the Issuer will issue the Bonds as additional parity obligations within the authorization contained in Section 3.04(H) of the Original Instrument pursuant to written consent of the Government, owner and holder of all of the Parity Obligations, and its waiver of any of the provisions of Section 3.04(H) of the Original Instrument which are not otherwise complied with. The Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Funds, and in all other respects, with the Parity Obligations.

(E) This Instrument is declared to be and shall constitute a contract between the Issuer and the Holders; and the covenants and agreements herein set forth to be performed by the Issuer are and shall be for the equal benefit, protection and security of all of the Holders, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds or the Notes over any other, except as hereinafter provided.

(F) The Issuer is not, under this Instrument, obligated to levy any ad valorem taxes on any real or personal property situated within its corporate territorial limits to pay the principal of or interest on the Bonds or the Notes or to pay



Operating Expenses. Neither the Bonds nor the Notes shall constitute a lien upon the Facilities or any other property of the Issuer or situated within its corporate territorial limits. The Bonds shall not be issued until the contract or contracts for the construction of the Project shall have been finally let.

(G) Pursuant to a loan agreement entered into by and between the Issuer and the Government, the Government has contracted to purchase the Bonds from the Issuer upon substantial completion of the Project. It is necessary and urgent that funds be made immediately available in order to provide money for the commencement of the Project at this time and for the continued construction of the Project until its substantial completion. The Issuer must, therefore, anticipate the receipt by it of the proceeds to be derived from the sale of the Bonds, and the Issuer has determined that it is in the best interest of the Issuer and its residents and inhabitants that the Notes be issued pursuant to this Instrument in anticipation of the receipt by the Issuer of the proceeds from the sale of the Bonds.

(H) In the event that the Issuer shall be unable to market the Notes in the private sector, the Government has agreed to purchase the Bonds in the form of the single bond instrument set out in Section 2.08 of this Instrument, the proceeds of which Bond shall be drawn down in installments, paid by the Government to the Issuer as the same shall be needed by the Issuer from time to time for the payment of items of the Cost of the Project.

1.04 Project Authorized. The Project is hereby authorized.

## ARTICLE II

### AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION

2.01 Authorization of Bonds. Subject and pursuant to the provisions of this Instrument, obligations of the Issuer to be known as "Water Revenue Bonds, Series 1982," are hereby authorized to be issued in an aggregate principal amount not exceeding One Hundred Forty-three Thousand Five Hundred Dollars (\$143,500) for the purpose of providing funds to pay the principal of the Notes on the maturity date thereof and thereby provide the long-term financing of a part of the Cost of the Project, or for the purpose of providing funds directly to pay a part of the Cost of the Project in the event that the Issuer shall elect not to issue the Notes pursuant to Section 5.03 of this Instrument.

2.02 Description of Bonds. The Bonds shall be dated as of the date of their delivery; shall bear interest at a rate

or rates not exceeding the maximum rate permitted by law, payable on September 1, 1983 and annually thereafter on September 1 of each year; and shall be issued as a single fully-registered Bond payable in installments in the amounts and on September 1 of the years as follows or as coupon Bonds registrable as to both principal and interest, numbered consecutively from one upward in order of maturity, in the denomination of \$1,000 each (except Bond numbered 1 which shall be in the denomination of \$1,500) and maturing on September 1 in the years and amounts as follows:

<u>Years</u>	<u>Amounts</u>	<u>Years</u>	<u>Amounts</u>
1985	\$ 1,500	2004	\$ 2,000
1986	1,000	2005	3,000
1987	1,000	2006	2,000
1988	1,000	2007	3,000
1989	1,000	2008	4,000
1990	1,000	2009	3,000
1991	1,000	2010	4,000
1992	1,000	2011	5,000
1993	1,000	2012	5,000
1994	1,000	2013	6,000
1995	1,000	2014	6,000
1996	1,000	2015	7,000
1997	1,000	2016	8,000
1998	1,000	2017	8,000
1999	1,000	2018	10,000
2000	1,000	2019	11,000
2001	1,000	2020	12,000
2002	1,000	2021	13,000
2003	1,000	2022	12,000

Provided, however, if the Bonds shall be issued on September 1, 1983 or thereafter, each of such installment or maturity dates shall be deferred by one year for each year or fraction of a year that the issuance of the Bonds shall be deferred beyond August 31, 1983, and all other dates herein shall be deferred correspondingly.

2.03 Places of Payment. The Bonds and the Notes shall be payable as to both principal and interest at such place or places as the Issuer shall hereafter by resolution designate, in lawful money of the United States of America; provided, however, that Bonds held by the Government shall be payable at "Finance Office, U.S. Department of Agriculture, Farmers Home Administration, 1520 Market Street, St. Louis, Missouri 63103," or at such other places as the Government shall from time to time in writing designate to the Issuer. The Bonds shall bear interest from the date of issue, and in the case of coupon Bonds in accordance with and upon surrender of the appurtenant interest coupons as they severally mature, unless registered.

2.04 Provisions for Redemption. In this section the word "Bonds" shall be deemed to include the respective installments of principal of the fully-registered single Bond corresponding to the serially maturing coupon Bonds.

Bonds maturing on or before September 1, 1992 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing September 1, 1993 and thereafter shall be redeemable, at the option of the Issuer, in whole or in part, in inverse numerical and maturity order, on September 1, 1992 or on any interest payment date thereafter at par and accrued interest, plus the following premiums, expressed as percentages of the par value of the Bonds so redeemed, if redeemed in the following years:

- 5%, if redeemed on September 1, 1992 or thereafter, to and including September 1, 1994;
- 4%, if redeemed on September 1, 1995 or thereafter, to and including September 1, 1999;
- 3%, if redeemed on September 1, 2000 or thereafter, to and including September 1, 2003;
- 2%, if redeemed on September 1, 2004 or thereafter, to and including September 1, 2007;
- 1%, if redeemed on September 1, 2008 or thereafter, to and including September 1, 2011;

Without premium, if redeemed on September 1, 2012 or thereafter, but prior to maturity;

provided, however, that at least thirty (30) days prior to the redemption date written notice of such redemption shall be given to the paying agents for the Bonds and to each of the registered owners at their respective addresses as they appear upon the registration books of the Clerk and shall be published at least once in a financial newspaper published in the City of New York, New York. Bonds held by the Government may be redeemed by the Issuer on any interest payment date prior to maturity at the price of par and accrued interest, without premium.

2.05 Execution of Bonds and Notes. The Bonds and the Notes shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor-Councilman and the corporate seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk, provided that the signature of at least one of such officers shall be manually executed thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds or

Notes or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds or Notes so signed and sealed have been actually sold and delivered such Bonds or Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds or Notes had not ceased to hold such office. Any Bond or Note may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond or Note shall hold the proper office of the Issuer, although at the date of such Bonds or Notes such person may not have held such office or may not have been so authorized. Coupons attached to either the Bonds or the Notes shall be authenticated with the facsimile signatures of any present or future Mayor-Councilman and Clerk. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Instrument, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds or the Notes shall be actually sold and delivered.

The Town Attorney shall certify on the face of each Bond and Note that such Bond or Note, as the case may be, and the attached coupons, if any, have been approved by him as to form and correctness.

2.06 Negotiability, Registration and Exchange. The Bonds and the Notes shall be and shall have all the qualities and incidents of negotiable instruments under the law merchant and the Laws of the State of Florida, and each successive Holder, in accepting any of the Bonds or the Notes shall be conclusively deemed to have agreed that the same shall be and have all of said qualities and incidents of negotiable instruments.

The coupon Bonds may be registered, at the option of the Holder, as to both principal and interest upon the books kept for the registration and transfer of Bonds by the Clerk, as Bond Registrar, and endorsed upon the Bonds by the Bond Registrar in the space provided thereon. After such registration, no transfer of the Bonds shall be valid unless made at the office of the Bond Registrar by the registered owner or by his duly authorized agent or representative and similarly noted on the Bonds, but at the expense of the Holder the Bonds may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. At the option and expense of the Holder, the Bonds may thereafter again from time to time be registered or transferred to bearer as before. The Bond Registrar shall not be required to make any such registration or transfer of Bonds during fifteen (15) days next preceding an interest payment date on the Bonds, or in the case of any proposed redemption of Bonds, after such Bonds have been selected for redemption. The person in whose name any Bond shall be

registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any Bond and the interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the interest thereon to the extent of the sum or sums so paid.

If issued as registrable, the Notes may be registered at the option of the Holder as to principal only or as to both principal and interest at the office of the Clerk, as Registrar, or such other Registrar as may be hereafter duly appointed, such registration to be noted on the back of the Notes in the space provided therefor. After such registration as to principal only or as to both principal and interest, no transfer of the Notes shall be valid unless made at such office by written assignment of the registered owner or by his duly authorized attorney in a form satisfactory to the Registrar and similarly noted on the Notes, but the Notes may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored. At the option of the Holder, the Notes may thereafter again from time to time be registered or transferred to bearer as before. Registration as to principal only shall not affect the negotiability of the coupons which shall continue to pass by delivery.

At the expense of the Holder, the single fully-registered Bond may be exchanged by the Holder at any time, not more than ninety days after surrender of such Bond to the Bond Registrar, for an equal aggregate principal amount of coupon Bonds maturing in the years and amounts corresponding to the years and amounts of the unpaid installments of principal of the single fully-registered Bond and in the form prescribed for coupon Bonds in Section 2.08 of this Instrument; and if all of the coupon Bonds outstanding shall be owned and held by a single Holder such Bonds may, in like manner, be exchanged at the expense of such Holder at any time, not more than ninety days after surrender of such Bonds to the Bond Registrar, for a single fully-registered Bond in principal amount equal to the aggregate principal amount of such coupon Bonds surrendered, maturing in installments in the years and amounts corresponding to the years and amounts of the maturities of such coupon Bonds so surrendered and in the form prescribed for the single Bond in Section 2.08 of this Instrument.

2.07 Bonds and Notes Mutilated, Destroyed, Stolen or Lost. In case any Bond or Note shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond or Note of like tenor as the Bond or Note so mutilated, destroyed, stolen or lost, in exchange and substi-

tution for such mutilated Bond or Note, upon surrender and cancellation of such mutilated Bond or Note, or in lieu of and substitution for the Bond or Note destroyed, stolen or lost, and upon the Holder furnishing the Issuer satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Bonds or Notes so surrendered shall be cancelled by the Clerk. If any such Bonds or Notes shall have matured or be about to mature, instead of issuing a substitute Bond or Note the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond or Note be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds or Notes issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bonds or Notes be at any time found by anyone, and such duplicate Bonds or Notes shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds or Notes issued hereunder.

2.08 Form of Bonds. The text of the Bonds shall be in substantially the following forms, with only such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor-Councilman or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the Government or other purchaser thereof):

(FORM OF COUPON BOND)

No. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF BAY  
TOWN OF MEXICO BEACH  
WATER REVENUE BOND, SERIES 1982

KNOW ALL MEN BY THESE PRESENTS, that the Town of Mexico Beach, a municipal corporation created and existing under and by virtue of the Laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay to the bearer, or if this Bond be registered to the registered holder as herein provided, on the first day of September, 19\_\_, solely from the special funds hereinafter mentioned, the principal sum of

THOUSAND DOLLARS

and to pay interest thereon, from the date of the delivery of this Bond to the purchaser hereof, solely from said special funds, at the rate of \_\_\_\_\_ per centum (\_\_\_%) per annum, payable on September 1, 1983 and annually thereafter on the first day of September of each year upon the presentation and surrender of the annexed coupons as they severally fall due, unless registered. Both principal of and interest on this Bond are payable at \_\_\_\_\_, in lawful money of the United States of America.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$143,500 of like date, tenor and effect, except as to number, denomination and date of maturity, issued to finance a part of the cost of acquiring, erecting and constructing extensions and improvements to the municipal water system of the Issuer (the "Facilities"), under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Part III, Chapter 166, Florida Statutes (1981), and an ordinance duly enacted by the Issuer on November 14, 1978, as supplemented by an ordinance duly enacted by the Issuer on November 27, 1979, and as further supplemented by an ordinance duly enacted by the Issuer on \_\_\_\_\_, 1982 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance.

This Bond and the interest hereon are payable solely from and secured by a prior lien upon and a pledge of the gross revenues to be derived from the operation of the Facilities, in the manner described in the Ordinance. It is expressly agreed by the holder of this Bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of and interest on this Bond and that such holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the Facilities. This Bond and the obligation evidenced hereby shall not constitute a lien upon the Facilities or any part thereof or upon any other property of the Issuer or situated within its corporate territorial limits, but shall constitute a lien only on the gross revenues to be derived from the operation of the Facilities.

The Bonds of this issue are payable on a parity, equally and ratably, from such gross revenues with the Issuer's outstanding Water Revenue Bonds authorized to be issued pursuant to said ordinance enacted by the Issuer on November 14, 1978 and Water Revenue Bonds, Series 1980, authorized to be issued pursuant to said ordinance enacted by the Issuer on November 27, 1979 (the "parity obligations").

In and by the Ordinance, the Issuer has covenanted and agreed with the holders of the Bonds of this issue that it will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the Facilities which will always produce cash revenues sufficient to pay, and out of such funds pay, as the same shall become due, the principal of and interest on the parity obligations and the Bonds, the necessary expenses of operating and maintaining the Facilities and all reserve, Sinking Fund or other payments required by the Ordinance, and that such rates, rentals, fees and other charges will not be reduced so as to be insufficient to provide funds for such purposes.

As provided in the Ordinance, this Bond and all of the Bonds then outstanding are exchangeable at the expense of the holder or registered owner hereof at any time, not less than ninety days after surrender of this Bond and all of the Bonds then outstanding to the Clerk hereinafter mentioned, as Bond Registrar, for a single fully-registered Bond in the denomination equal to the aggregate principal amount of this Bond plus all of the Bonds then outstanding and in the form of such single Bond as provided for in the Ordinance.

The Bonds of this issue maturing on or before September 1, 1992 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing September 1, 1993 and thereafter shall be redeemable, at the option of the Issuer, in whole or in part, in inverse numerical and maturity order, on September 1, 1992 or on any interest payment date thereafter at par and accrued interest, plus the following premiums, expressed as percentages of the par value of the Bonds so redeemed, if redeemed in the following years:

- 5%, if redeemed on September 1, 1992 or thereafter, to and including September 1, 1994;
- 4%, if redeemed on September 1, 1995 or thereafter, to and including September 1, 1999;
- 3%, if redeemed on September 1, 2000 or thereafter, to and including September 1, 2003;
- 2%, if redeemed on September 1, 2004 or thereafter, to and including September 1, 2007;
- 1%, if redeemed on September 1, 2008 or thereafter, to and including September 1, 2011;

Without premium, if redeemed on September 1, 2012 or thereafter, but prior to maturity;



provided, however, that notice of such redemption shall be given in the manner required by the Ordinance.

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 Bonds of which this Bond is one, does not violate any constitutional, statutory or charter limitations or provisions.

This Bond and the coupons appertaining hereto are and have all the qualities and incidents of negotiable instruments under the law merchant and the Laws of the State of Florida.

This Bond may be registered as to both principal and interest in accordance with the provisions endorsed hereon.

This Bond and the issue of which this Bond is one were validated by Judgment of the Circuit Court of the Fourteenth Judicial Circuit, in and for Bay County, Florida, rendered on \_\_\_\_\_, 19\_\_.

IN WITNESS WHEREOF, the Town of Mexico Beach, Florida, has issued this Bond and has caused the same to be signed by its Mayor-Councilman and attested and countersigned by its Clerk, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted or engraved hereon, and the interest coupons hereto attached to be executed with the facsimile signatures of such officers, all as of \_\_\_\_\_.

TOWN OF MEXICO BEACH, FLORIDA

By \_\_\_\_\_  
Mayor-Councilman

(SEAL)

ATTESTED AND COUNTERSIGNED: This Bond and the coupons hereto attached, if any, are approved as to form and correctness:

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Town Attorney

(FORM OF COUPON)

No. \_\_\_\_\_

\$ \_\_\_\_\_

On the 1st day of September, 19\_\_, unless the Bond to which this coupon is attached is callable and shall have been previously duly called for prior redemption and payment thereof duly made or provided for, the Town of Mexico Beach, Florida, will pay to bearer at \_\_\_\_\_, Florida, from the special funds described in the Bond to which this coupon is attached, the amount shown hereon in lawful money of the United States of America, upon presentation and surrender of this coupon, being one year's interest then due on its Water Revenue Bond, Series 1982, dated \_\_\_\_\_, 19\_\_, No. \_\_\_\_\_.

TOWN OF MEXICO BEACH, FLORIDA

By \_\_\_\_\_  
Mayor-Councilman

(SEAL)

ATTESTED AND COUNTERSIGNED:

\_\_\_\_\_  
Town Clerk

(PROVISIONS FOR REGISTRATION ON COUPON BONDS)

PROVISIONS FOR REGISTRATION

This Bond may be registered as to both principal and interest on books kept for such purpose by said Clerk, as Bond Registrar, such registration being noted hereon by the Bond Registrar in the registration blank below, the coupons being surrendered and the interest being payable only to the registered holder, remitted by mail, after which registration no transfer shall be valid unless made by the registered holder or his legal representative and similarly noted by the Bond Registrar on said books and in the registration blank below, but it may be discharged from registration by being transferred to bearer, after which it shall be transferable by delivery, or it may again be registered as before. Upon reconversion of this Bond into a coupon Bond, coupons representing the interest to accrue upon this Bond to date of maturity shall be attached hereto.

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar

(FORM OF SINGLE BOND)

\$143,500

\$143,500

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF BAY  
TOWN OF MEXICO BEACH  
WATER REVENUE BOND, SERIES 1982

KNOW ALL MEN BY THESE PRESENTS, that the Town of Mexico Beach, a municipal corporation created and existing under and by virtue of the Laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay to the order of \_\_\_\_\_, solely from the special funds hereinafter mentioned, the principal sum of One Hundred Forty-three Thousand Five Hundred Dollars (\$143,500) on the first day of September in the years and installments as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1985	\$ 1,500	2004	\$ 2,000
1986	1,000	2005	3,000
1987	1,000	2006	2,000
1988	1,000	2007	3,000
1989	1,000	2008	4,000
1990	1,000	2009	3,000
1991	1,000	2010	4,000
1992	1,000	2011	5,000
1993	1,000	2012	5,000
1994	1,000	2013	6,000
1995	1,000	2014	6,000
1996	1,000	2015	7,000
1997	1,000	2016	8,000
1998	1,000	2017	8,000
1999	1,000	2018	10,000
2000	1,000	2019	11,000
2001	1,000	2020	12,000
2002	1,000	2021	13,000
2003	1,000	2022	12,000

and to pay, solely from said special funds, interest on the balance of said principal sum from time to time remaining unpaid, from the date of the delivery of this Bond to the purchaser hereof, at the rate of \_\_\_\_\_ per centum (\_\_\_\_%) per annum, payable on September 1, 1983 and annually thereafter on the first day of September of each year. Both principal of and interest on this Bond are payable at \_\_\_\_\_,

\_\_\_\_\_ in lawful money of the United States of America. Payments of principal and interest, including pre-payments of installments of principal as hereinafter provided, shall be noted by the owner and holder hereof on the Payment Record made a part of this Bond, and written notice of the making of each such notation shall be promptly sent to the Issuer. Upon final payment of principal and interest this Bond shall be surrendered to the Issuer.

This Bond is issued to finance a part of the cost of acquiring, erecting and constructing extensions and improvements to the municipal water system of the Issuer (the "Facilities"), under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Part III, Chapter 166, Florida Statutes (1981), and an ordinance duly enacted by the Issuer on November 14, 1978, as supplemented by an ordinance duly enacted by the Issuer on November 27, 1979, and as further supplemented by an ordinance duly enacted by the Issuer on \_\_\_\_\_, 1982 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance.

This Bond and the interest hereon are payable solely from and secured by a prior lien upon and a pledge of the gross revenues to be derived from the operation of the Facilities, in the manner described in the Ordinance. It is expressly agreed by the holder of this Bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of and interest on this Bond and that such holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the Facilities. This Bond and the obligation evidenced hereby shall not constitute a lien upon the Facilities or any part thereof or upon any other property of the Issuer or situated within its corporate territorial limits, but shall constitute a lien only on the gross revenues to be derived from the operation of the Facilities.

This Bond is payable on a parity, equally and ratably, from such gross revenues with the Issuer's outstanding Water Revenue Bonds authorized to be issued pursuant to said ordinance enacted by the Issuer on November 14, 1978 and Water Revenue Bonds, Series 1980, authorized to be issued pursuant to said ordinance enacted by the Issuer on November 27, 1979 (the "parity obligations").

In and by the Ordinance, the Issuer has covenanted and agreed with the holder of this Bond that it will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the Facilities which will always produce cash revenues sufficient to pay, and out of such funds pay, as the same shall become due, the principal of and interest on the parity obligations and this Bond, the necessary expenses of operating and maintaining the Facilities and all reserve, Sinking Fund or other payments required by the Ordinance, and that such rates, rentals, fees and other charges will not be reduced so as to be insufficient to provide funds for such purposes.

As provided in the Ordinance, this Bond is exchangeable at the expense of the owner and holder hereof at any time, not more than ninety days after surrender of this Bond to the Clerk hereinafter mentioned, as Bond Registrar, for an equal aggregate principal amount of coupon Bonds, payable to bearer, registrable as to both principal and interest, in the denomination of \$1,000 each and maturing in the amounts and on September 1 of the years corresponding to the years and amounts of the unpaid installments of principal of this Bond, and in the form of such coupon Bonds as provided for in the Ordinance.

The installments of principal payable upon this Bond on or before September 1, 1992 are not subject to prepayment prior

to their respective dates of payment. The installments of principal payable on this Bond on September 1, 1993 and thereafter may be prepaid at the option of the Issuer, in whole or in part, but only in multiples of \$1,000, in inverse chronological order of said installments, on September 1, 1992 or on any interest payment date thereafter at par and accrued interest, plus the following premiums, expressed as percentages of the principal amount of said installments so prepaid, if prepaid in the following years:

- 5%, if paid on September 1, 1992 or thereafter, to and including September 1, 1994;
- 4%, if paid on September 1, 1995 or thereafter, to and including September 1, 1999;
- 3%, if paid on September 1, 2000 or thereafter, to and including September 1, 2003;
- 2%, if paid on September 1, 2004 or thereafter, to and including September 1, 2007;
- 1%, if paid on September 1, 2008 or thereafter, to and including September 1, 2011;

Without premium, if paid on September 1, 2012 or thereafter, but prior to maturity;

provided, however, that notice of such prepayment shall be given in the manner required by the Ordinance.

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 does not violate any constitutional, statutory or charter limitations or provisions.

This Bond is and has all the qualities and incidents of a negotiable instrument under the law merchant and the Laws of the State of Florida.

This Bond was validated by Judgment of the Circuit Court of the Fourteenth Judicial Circuit, in and for Bay County, Florida, rendered on \_\_\_\_\_, 19\_\_.

IN WITNESS WHEREOF, the Town of Mexico Beach, Florida, has issued this Bond and has caused the same to be signed by its Mayor-Councilman and attested and countersigned by its Clerk, and

its corporate seal to be impressed hereon, and for identification purposes only has caused such officers to sign in the margin of page 2 hereof, all as of \_\_\_\_\_.

TOWN OF MEXICO BEACH, FLORIDA

By \_\_\_\_\_  
Mayor-Councilman

(SEAL)

ATTESTED AND COUNTERSIGNED: Approved as to Form and Correctness:

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Town Attorney

(FORM OF ASSIGNMENT)

ASSIGNMENT

For valuable consideration, the UNITED STATES OF AMERICA, acting through the U.S. DEPARTMENT OF AGRICULTURE, FARMERS HOME ADMINISTRATION, does hereby assign, transfer and deliver to \_\_\_\_\_ all of its right, title and interest in and to this Bond and all rights belonging or appertaining to the assignor under and by virtue of this Bond.

U.S. DEPARTMENT OF AGRICULTURE,  
FARMERS HOME ADMINISTRATION

By \_\_\_\_\_

Title: \_\_\_\_\_

Witnesses:

\_\_\_\_\_

\_\_\_\_\_

(FORM OF PAYMENT RECORD)

PAYMENT RECORD

<u>Due Date</u> <u>(Sept. 1)</u>	<u>Principal</u> <u>Payment</u>	<u>Principal</u> <u>Balance</u> <u>Due</u>	<u>Interest</u> <u>Payment</u>	<u>Date</u> <u>Paid</u>	<u>Signature of</u> <u>Owner's Authorized</u> <u>Official and Title</u>
1985	\$ 1,500				
1986	1,000				
1987	1,000				
1988	1,000				
1989	1,000				
1990	1,000				
1991	1,000				
1992	1,000				
1993	1,000				
1994	1,000				
1995	1,000				
1996	1,000				
1997	1,000				
1998	1,000				
1999	1,000				
2000	1,000				
2001	1,000				
2002	1,000				
2003	1,000				
2004	2,000				
2005	3,000				
2006	2,000				
2007	3,000				
2008	4,000				
2009	3,000				
2010	4,000				
2011	5,000				
2012	5,000				
2013	6,000				
2014	6,000				
2015	7,000				
2016	8,000				
2017	8,000				
2018	10,000				
2019	11,000				
2020	12,000				
2021	13,000				
2022	12,000				



PRINCIPAL INSTALLMENTS ON WHICH PAYMENTS HAVE  
BEEN MADE PRIOR TO DUE DATE

Principal Due Date	Principal Due Amount	Principal Prepaid	Principal Balance Due	Date Paid	Signature of Owner's Authorized Official and Title

(ALTERNATIVE FORM OF SINGLE BOND)

In the event that the Issuer shall elect not to issue the Notes pursuant to the provisions of Section 5.03 of this Instrument and the Bonds shall be purchased by the Government, the Government will take delivery of the Bonds as a single bond in the form above provided, with the following modifications: The first paragraph of the foregoing form of single bond shall be stricken and the following three paragraphs substituted therefor; and the schedule which follows such three paragraphs shall be inserted in such form of single bond immediately preceding the Form of Assignment thereon:

KNOW ALL MEN BY THESE PRESENTS, that the Town of Mexico Beach, a municipal corporation created and existing under and by virtue of the Laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay to the order of the UNITED STATES OF AMERICA, U. S. Department of Agriculture, Farmers Home Administration, solely from the special funds hereinafter mentioned, the principal sum of One Hundred Forty-three Thousand Five Hundred Dollars (\$143,500) on the first day of September in the years and installments as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1985	\$ 1,500	2004	\$ 2,000
1986	1,000	2005	3,000
1987	1,000	2006	2,000
1988	1,000	2007	3,000
1989	1,000	2008	4,000
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1992	1,000	2011	5,000
1993	1,000	2012	5,000
1994	1,000	2013	6,000
1995	1,000	2014	6,000
1996	1,000	2015	7,000
1997	1,000	2016	8,000
1998	1,000	2017	8,000
1999	1,000	2018	10,000
2000	1,000	2019	11,000
2001	1,000	2020	12,000
2002	1,000	2021	13,000
2003	1,000	2022	12,000

and to pay, solely from said special funds, interest on the balance of each portion of said principal sum from time to time remaining unpaid, from the date such portion shall be received by the Issuer pursuant to the terms hereof, at the rate of \_\_\_ per centum (\_\_\_%) per annum, payable on September 1, 1983 and annually thereafter on the first day of September of each year.

The Government and the Issuer intend that the proceeds to be derived by the Issuer from the sale of this Bond to the Government shall be paid to the Issuer by the Government in installments as the same shall be needed by the Issuer from time to time for the payment of items of the cost of the project hereinafter mentioned. The Issuer will acknowledge receipt upon the schedule provided hereon for such purpose of each portion of the principal hereof so paid by the Government to the Issuer and the date of such receipt.

Both principal of and interest on this Bond are payable at Finance Office, U.S. Department of Agriculture, Farmers Home Administration, 1520 Market Street, St. Louis, Missouri 63103, in lawful money of the United States of America. Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted by the owner and holder hereof on the Payment Record made a part of this Bond, and written notice of the making of each such notation shall be promptly sent to the Issuer. Upon final payment of principal and interest this Bond shall be surrendered to the Issuer.



Pledged Funds to the payment of the principal of and interest on the Bonds and to the payment into the Sinking Fund at the times provided of the sums required to secure to the Holders the payment of the principal of and interest on the Bonds at the respective maturities of the Bonds and coupons so held by them.

The payment of the principal of and interest on the Notes shall be secured forthwith, equally and ratably, by a prior lien on and pledge of the proceeds to be derived from the sale of the Bonds or the sale of bond anticipation notes issued to extend and renew the indebtedness evidenced by the Notes, and, if necessary, by a prior lien on and pledge of the Pledged Funds, subject only to the pledge thereof and lien thereon in favor of the Parity Obligations.

The Bonds are payable from the Pledged Funds on a parity, equally and ratably, with the Parity Obligations.

3.03 Application of Note Proceeds. The Issuer hereby covenants that it will establish with an Authorized Depository a separate account or accounts into which shall be deposited the proceeds from the sale of the Notes (except such portion thereof as shall be necessary to pay interest on the Notes during the construction of the Project, which shall be deposited in the Notes Payment Account) grant funds and the additional funds, if any, required to assure payment in full of the Cost of the Project. Withdrawals from the Construction Account shall be made only for such purposes as shall have been previously specified in the Project Cost estimates and as shall be approved by the Issuer's consulting engineers for the Project.

The Issuer's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties, and all proceeds of insurance compensating for damages to the Project during the period of construction, shall be deposited in the Construction Account to assure completion of the Project.

Moneys in the Construction Account shall be continuously secured by the depository bank in accordance with U.S. Treasury Department Circular 176 and in the manner prescribed by the Laws of the State of Florida relating to the securing of public funds. When the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the next 90 days, the Issuer may direct the Authorized Depository to invest such excess funds in Federal Securities. The earnings from any such investment shall be deposited in the Construction Account.

When the construction of the Project has been completed and all construction costs have been paid in full, all funds remaining in the Construction Account, except grant funds, shall be deposited in the Sinking Fund, and the Construction Account shall be closed.

All moneys deposited in the Construction Account shall be and constitute a trust fund created for the purposes stated, and there is hereby created a lien upon such fund in favor of the Holders of the Bonds and the Notes until the moneys thereof shall have been applied in accordance with this Instrument.

In the event that the Issuer shall elect not to issue the Notes pursuant to the provisions of Section 5.03 of this Instrument, then the Issuer shall deposit into the Construction Account the proceeds from the sale of the Bonds (except such portion thereof as shall be necessary to pay interest on the Bonds during the construction of the Project, which shall be deposited in the Sinking Fund), grant funds and the additional funds, if any, required to assure payment in full of the Cost of the Project, and Bond proceeds in the Construction Account shall be applied and invested in the manner provided in this section for the application and investment of Note proceeds. In such event, if the Bonds shall be purchased by the Government, the Government and the Issuer intend that Bond proceeds shall be drawn down in installments to be paid by the Government to the Issuer as the same shall be needed by the Issuer from time to time for the payment of items of the Cost of the Project. As each such installment of Bond proceeds shall be paid by the Government and drawn down by the Issuer, the Issuer will acknowledge receipt of such portion of Bond proceeds so drawn down and the date of such receipt upon the schedule provided for such purpose upon the Bond.

3.04 Covenants of the Issuer. So long as any of the principal of or premium, if any, or interest on any of the Bonds or the Notes shall be outstanding and unpaid, or until provision for payment thereof shall have been made within the meaning of Section 5.01 hereof, the Issuer covenants with the Holders as follows:

(A) Application of Provisions of Original Instrument. The Bonds shall for all purposes (except as herein expressly changed) be considered to be additional parity obligations issued under the authority of Section 3.04(H) of the Original Instrument and shall be entitled to all the protection and security provided therein for the Parity Obligations, as respectively issued, and shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Obligations. The covenants and pledges contained in Section 3.04 of the Original Instrument shall be applicable to the Notes and the Bonds in like manner as applicable to the Parity Obligations, except that the Notes shall be junior, subordinate and inferior to the Parity Obligations in every respect. The principal of, interest on and redemption premiums on the Bonds shall be payable from the Sinking Fund established by the Original Instrument on a parity with the Parity Obligations, and payments shall be made into such Sinking

Fund by the Issuer in amounts fully sufficient to pay the principal of and interest on the Parity Obligations and on the Bonds as such principal and interest become due. The Reserve Account established by the Original Instrument shall be applicable pro rata to the Bonds in the same manner as applicable to the Parity Obligations.

(B) Increased Deposits to Reserve Account. The monthly deposits to the Reserve Account pursuant to the provisions of Section 3.04(C)(3) of the Original Instrument shall be in the amount of Four Hundred Fifty Dollars (\$450), until such time as the funds and investments in the Reserve Account shall equal Fifty-four Thousand Dollars (\$54,000), and monthly thereafter such amount as shall be necessary to maintain in the Reserve Account the sum of Fifty-four Thousand Dollars (\$54,000) but not exceeding Four Hundred Fifty Dollars (\$450) monthly.

(C) Excess Funds. Subject to the provisions for the disposition of Gross Revenues in subsections (C) and (D) of the Original Instrument, which are cumulative, the Issuer shall, on or before the 15th day of each month, transfer to the Reserve Account in the Sinking Fund the balance of moneys remaining in the Revenue Fund until the funds and investments in the Reserve Account equal the amount of Fifty-four Thousand Dollars (\$54,000), and thereafter whenever funds and investments in the Reserve Account equal Fifty-four Thousand Dollars (\$54,000) the Issuer may use the surplus funds in the Revenue Fund for the purchase or redemption of Bonds or for any other lawful municipal purpose.

(D) Compliance with Laws and Regulations. The Issuer covenants and agrees to perform and comply with, in every respect, the loan and grant agreements which it might have with the Government or with any other governmental agency and all applicable Federal and State Laws and regulations.

(E) Remedies. Any Holder or any trustee acting for the Holders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the Laws of the State of Florida, or granted and contained in this Instrument, and may enforce and compel the performance of all duties required by this Instrument or by any applicable State or Federal statutes to be performed by the Issuer or by any officer thereof.

Nothing herein, however, shall be construed to grant to any Holder any lien on any real property of the Issuer.

(F) Government Approval of Extensions and Financing. Anything herein to the contrary notwithstanding, while the

Government is a Holder, the Issuer will not borrow any money from any source or enter into any contract or agreement or incur any other liability in connection with making extensions of or improvements to the Facilities, other than normal maintenance of the Facilities, or permit others to do so, without obtaining the prior written consent of the Government.

(G) Reimbursement of Advances and Interest Thereon.

While the Government shall be a Holder, the Government shall have the right to make advances for the payment of insurance premiums and/or other advances which, in the opinion of the Government, may be required to protect the Government's security interest. In the event of any such advances, the Issuer covenants and agrees to repay the same, together with interest thereon at the same rate per annum as specified in the Notes or the Bonds, upon demand made at any time after any such expenditure by the Government. Any such amount due the Government shall be secured by a pledge of and lien upon the Pledged Funds, on a parity with the Notes or the Bonds, and payment thereof shall take priority over any other payments from the Reserve Account.

(H) Creation of Superior Liens. The Issuer covenants that it will not issue any other notes, bonds, certificates or obligations of any kind or nature or create or cause or permit to be created any debt, lien, pledge, assignment or encumbrance or charge payable from or enjoying a lien upon any of the Pledged Funds ranking prior and superior to the lien created by this Instrument for the benefit of the Notes and the Bonds.

(I) Arbitrage. The Issuer covenants that it will not make any investments or acquiesce in the making of any investments by any depository pursuant to or under the provisions of this Instrument which could cause the Notes or the Bonds to be "arbitrage bonds" within the meaning of Section 103(c)(2) of the Internal Revenue Code of 1954, as amended, and the applicable regulations issued thereunder.

#### ARTICLE IV

##### AUTHORIZATION OF NOTES

4.01 Authorization of Notes. Subject and pursuant to the provisions of this Instrument, obligations of the Issuer to be known as "1982 Water Revenue Bond Anticipation Notes," are hereby authorized to be issued in an aggregate principal amount not exceeding One Hundred Forty-three Thousand Five Hundred Dollars (\$143,500) for the purpose of providing funds to pay a part of the Cost of the Project pending issuance of the Bonds.

4.02 Description of Notes. The Notes shall be dated as of the date of or prior to the date of their delivery to the ini-

tial purchaser or purchasers thereof, shall mature on or prior to the fifth anniversary of their date and may be in such denomination or denominations, bear interest payable at maturity or periodically upon surrender of coupons and have such registration provisions and redemption privileges as shall be acceptable to such purchaser or purchasers. The Notes shall bear such rate or rates of interest not exceeding the legal rate and shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor-Councilman or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Notes and the Issuer's delivery of the Notes to the purchaser or purchasers thereof):

(FORM OF NOTES)

No. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF BAY  
TOWN OF MEXICO BEACH  
1982 WATER REVENUE BOND ANTICIPATION NOTE

FOR VALUE RECEIVED, the Town of Mexico Beach, Florida (the "Issuer"), hereby promises to pay to the bearer, or if this Note be registered to the registered owner as hereinafter provided, at the principal office of \_\_\_\_\_ in the City of \_\_\_\_\_, Florida, on \_\_\_\_\_, 19\_\_\_\_, solely from the special funds hereinafter mentioned, in lawful money of the United States of America, the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and interest on such principal sum from the date hereof at the rate of \_\_\_\_\_ per centum (\_\_\_\_%) per annum, payable on \_\_\_\_\_ 1, 19\_\_\_\_ and semi-annually thereafter on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, upon the presentation and surrender of the annexed coupons as they severally fall due unless this Note shall be registered as to both principal and interest.

This Note is one of an authorized issue of Notes in the aggregate principal amount of \$\_\_\_\_\_ (the "Notes") of like date, tenor and effect, except as to number and denomination, issued pursuant to the Constitution and Laws of the State of Florida, particularly Part III, Chapter 166, Florida Statutes (1981), and an ordinance duly enacted by the Issuer on \_\_\_\_\_, 1982 (the "Ordinance"), in anticipation of the receipt by the Issuer of the proceeds from the sale of not exceeding \$143,500 principal amount of Water Revenue Bonds, Series 1982, of the Issuer (the "Bonds").



This Note and the interest due hereon are payable solely from and secured by a prior lien upon and a pledge of the proceeds to be derived from the sale of the Bonds or the sale of bond anticipation notes issued to extend and renew the indebtedness evidenced by the Notes, and, if necessary, from and secured by a lien upon and a pledge of the gross revenues to be derived from the operation of the Issuer's municipal water system (the "Facilities"), all in the manner provided in the Ordinance.

The lien in favor of the holder of this Note on the revenues of the Facilities is junior, subordinate and inferior in every respect to the lien thereon in favor of the holders of the Issuer's outstanding Water Revenue Bonds authorized to be issued pursuant to an ordinance enacted by the Issuer on November 14, 1978 and Water Revenue Bonds, Series 1980, authorized to be issued pursuant to an ordinance enacted by the Issuer on November 27, 1979 (the "parity obligations").

This Note is not subject to redemption prior to its stated date of maturity.

This Note shall not constitute a general obligation of the Issuer, and the holder hereof shall never have the right to require or compel the exercise of the power of the Issuer to levy ad valorem taxes for the payment of the principal of and interest on this Note.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in connection with the issuance of this Note, 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 Note and of the issue of Notes of which this Note is one does not violate any constitutional or statutory limitations or provisions.

This Note and the coupons appertaining hereto are and shall have all of the qualities and incidents of negotiable instruments under the law merchant and the Laws of the State of Florida.

This Note may be registered as to principal only or as to both principal and interest in accordance with the provisions endorsed hereon.

This Note and the issue of which this Note is one were validated by Judgment of the Circuit Court of the Fourteenth Judicial Circuit, in and for Bay County, Florida, rendered on \_\_\_\_\_, 19\_\_.

IN WITNESS WHEREOF, the Town of Mexico Beach, Florida, has issued this Note and has caused the same to be signed by its Mayor-Councilman and attested and countersigned by its Clerk, either manually or with their respective facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted or engraved hereon, and the interest coupons hereto attached to be executed with the facsimile signatures of such officers, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

TOWN OF MEXICO BEACH, FLORIDA

By \_\_\_\_\_  
Mayor-Councilman

(SEAL)

ATTESTED AND COUNTERSIGNED: This Note and the coupons hereto attached, if any, are approved as to form and correctness:

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Town Attorney

(FORM OF COUPON)

No. \_\_\_\_\_ \$ \_\_\_\_\_

On the first day of \_\_\_\_\_, 19\_\_, the Town of Mexico Beach, Florida, will pay to the bearer at \_\_\_\_\_, \_\_\_\_\_, Florida, from the special funds described in the note to which this coupon is attached, the amount shown hereon in lawful money of the United States of America, upon presentation and surrender of this coupon, being interest then due on its 1982 Water Revenue Bond Anticipation Note, dated \_\_\_\_\_, No. \_\_\_\_\_.

TOWN OF MEXICO BEACH, FLORIDA

By \_\_\_\_\_  
Mayor-Councilman

(SEAL)

ATTESTED AND COUNTERSIGNED:

\_\_\_\_\_  
Town Clerk

Provisions for Registration

This Note may be registered as to principal only in the name of the holder on the books to be kept for such purpose by the Town Clerk, as Registrar, such registration being noted hereon by said Registrar in the registration blank below, after which no transfer shall be valid unless made on said books by the registered holder or his attorney duly authorized and similarly noted by said Registrar in the registration blank below, but it may be discharged from registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be again registered as before. The registration of this Note as to principal shall not restrain the negotiability of the coupons by delivery merely, but the coupons may be surrendered and the interest made payable only to the registered holder, in which event said Registrar shall note in the registration blank below that this Note is registered as to interest as well as to principal, and thereafter the interest will be remitted by mail to the registered holder. With the consent of the holder and of the Issuer, this Note, when converted into a Note registered as to both principal and interest, may be reconverted into a coupon Note and again converted into a Note registered as to both principal and interest as hereinabove provided. Upon reconversion of this Note, when registered as to both principal and interest, into a coupon Note, coupons representing the interest to accrue upon this Note to date of maturity shall be attached hereto by said Registrar and said Registrar shall note in the registration blank below whether this Note is registered as to principal only or payable to bearer.

Date of Registration	In Whose Name Registered	Manner of Registration	Signature of Registrar

4.03 Additional Covenants of the Issuer. For so long as the principal of and interest on the Notes shall be outstanding and unpaid or until there shall have been irrevocably set apart in the Notes Payment Account a sum sufficient to pay, when due, the principal of or entire sum advanced under the Notes, together with interest accrued and to accrue thereon, the Issuer covenants with the holders of the Notes as follows:

(A) Notes Payment Account. The Issuer hereby covenants that it shall establish with an Authorized Depository an account to be designated as the "Town of Mexico Beach 1982 Water Revenue Bond Anticipation Notes Payment Account," into which there shall be deposited from the proceeds of the sale of the Notes a sum which, together with the earnings to be derived from the investment thereof, shall be sufficient to pay interest on the Notes as the same shall become due and payable and into which there shall be deposited from the proceeds of the sale of the Bonds or a subsequent issue of bond anticipation notes the sum required to pay the principal of the Notes on the maturity date thereof. Moneys on deposit to the credit of the Notes Payment Account shall be applied only to the payment of the principal of and interest on the Notes and, until such moneys shall have been applied to such purpose, there shall be a lien upon all Notes Payment Account moneys in favor of the Holders of the Notes.

Any funds remaining on deposit to the credit of the Notes Payment Account after the principal of and interest on the Notes shall have been paid in full shall be deposited in the Construction Account or, if the Project shall have been completed and the Construction Account closed, in the Sinking Fund, whereupon the Notes Payment Account shall be closed.

(B) Sale of Bonds or Refunding Notes. The Issuer shall in good faith endeavor to sell a sufficient principal amount of the Bonds or of additional bond anticipation notes in order to have funds available to pay the Notes on the maturity date thereof.

(C) Supplemental Instruments. The Issuer shall, from time to time and at any time, adopt such resolutions and/or ordi-

nances not inconsistent with the provisions of this Instrument as shall be necessary or desirable to cure any ambiguity, defect or omission herein and/or secure, extend or renew to the holders of the Notes the pledges and covenants made herein for the payment of the Notes and the interest to accrue thereon.

(D) No Additional Obligations. The Issuer covenants and agrees that while the Notes shall remain outstanding, the Issuer will not issue any additional obligations or incur any additional indebtedness, except the Bonds or obligations refunding the Notes, or the Parity Obligations payable from the Pledged Funds.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

5.01 Defeasance. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest and redemption premiums, if any, with respect to the Bonds, then, and in that event, the pledge of and lien on the Pledged Funds in favor of the Holders shall be no longer in effect. For purposes of the preceding sentence, deposit by the Issuer of Federal Securities or bank certificates of deposit fully secured as to principal and interest by Federal Securities (or deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance) in irrevocable trust with a banking institution or trust company, for the sole benefit of the Holders, in an aggregate principal amount which, together with interest to accrue thereon, will be sufficient to make timely payment of the principal of and redemption premiums, if any, and interest on the Bonds in accordance with their terms, the paying agents' fees and expenses with respect thereto and any other expenses occasioned by escrow arrangements or provision for redemption, shall be considered "provision for payment." Nothing herein shall be deemed to require the Issuer to call any of the outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption, except that if any of the Bonds shall be held by the Government the Bonds shall be called for redemption as a whole within a period not exceeding six months from the date of such deposit unless the Government shall agree otherwise in writing. Notwithstanding the above, any Bonds held by the Government shall be defeased only with the prior written approval of the Government.

5.02 Modification or Amendment. No material modification or amendment of this Instrument may be made without the con-

sent in writing of the Holders of two-thirds or more in principal amount of any Bonds or Notes then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or Notes or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affect the Issuer's unconditional covenants herein with respect to the maintenance and collection of sufficient Rates and to the application of the same as herein provided, or reduce the number of such Bonds or Notes the written consent of the Holders of which are required by this section for such modification or amendment, without the consent of the Holders.

5.03 Sale of Notes and Bonds. The Notes and the Bonds shall be sold pursuant to applicable law in such manner and upon such terms as the Issuer shall provide by resolution adopted any time prior to the respective dates of delivery thereof to the respective original purchasers thereof. Anything herein to the contrary notwithstanding, the Issuer may elect not to issue the Notes and is hereby authorized to issue the Bonds initially and deposit the proceeds thereof to the Construction Account for application in payment of items of the Cost of the Project.

5.04 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Instrument or of the Bonds or the Notes should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall 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 and provisions of this Instrument, the Bonds and the Notes.

5.05 Validation Authorized. Paul G. Komarek, Town Attorney, is hereby authorized and directed to institute appropriate proceedings in the Circuit Court for Bay County, Florida, for the validation of the Notes and the Bonds and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer any pleadings in such proceedings.

5.06 Table of Contents and Headings not Part Hereof. The Table of Contents preceding the body of this Instrument and the headings preceding the several articles and sections hereof shall be solely for convenience of reference and shall not constitute a part of this Instrument or affect its meaning, construction or effect.

5.07 Conflicts Repealed. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

5.08 Effective Date. This Instrument shall take effect immediately upon its enactment.

INTRODUCED at a Regular Meeting of the Town Council on the 9th day of November, 1982, and ADOPTED by the Town Council at a Special Meeting on the 30th day of November, 1982.

TOWN OF MEXICO BEACH, FLORIDA

Tom Hudson

Tom Hudson - Mayor Pro-Tem

Robert D. Hodges

Council Member

Robert L. Jennings

Council Member

Carroll M. Ingecoat

Council Member

ATTEST:

Patricia L. Hutchinson  
Town Clerk