

ORDINANCE NO. 335

AN ORDINANCE AUTHORIZING THE BORROWING OF \$250,000.00 FROM THE VIRGINIA WATER PROJECT, INC. SOUTHEAST RURAL DEVELOPMENT LOAN FUND. HEREINAFTER VWP/SE-RCAP; FOR THE PURPOSE OF PROVIDING INTERIM - INTERIM FINANCING FOR THE MUNICIPAL SEWER SYSTEM INFRASTRUCTURE; PROVIDING FOR THE PAYMENT THEREOF AND ENTERING INTO CERTAIN COVENANTS AND AGREEMENTS WITH THE VWP/SE-RCAP AND PROVIDING AN EFFECTIVE DATE.

Now therefore, be it ordained by the City Council of the City of Mexico Beach, Florida, as follows:

SECTION 1. Authority for Ordinance: This ordinance is enacted pursuant to the provisions of the Constitution of Florida, the Charter of the City of Mexico Beach, Florida, as amended, Chapter 166, Part II Florida Statutes.

Section 2. Provisions: It is hereby ascertained, determined and declared that;

A. The loan shall be for the amount of \$250,000.00 with interest at the rate of four and one half percent (4.5%) per annum with the total balance of principal and accrued interest, if not sooner paid, being due and payable two years from the date of closing.

B. The borrower shall provide two executed notes in the amounts of \$150,000.00 and \$100,000.00 respectfully incorporating the terms outlined in number 1 above.

C. The borrower shall provide Virginia Water Project with a copy of its annual audited financial statements within 90 days of the fiscal year end during the life of the loan.

D. The borrower shall provide an attorney's opinion certifying that the notes are binding and a legally enforceable obligation of the City of Mexico Beach.

E. The borrower shall provide an attorney's opinion on such items as Virginia Water Project's attorney may require for this project. These items will be communicated after VWP's attorney has reviewed the borrower's documents.

F. The underlying collateral will be agreed upon by the lender and borrower prior to the loan closing.

G. The borrower shall pay all attorney's fees and filing costs associated with the loan.

H. The borrower shall provide written approval from the Rural Development area office specifying that Rural Utility Service's loan/grant proceeds to the City of Mexico Beach can be used to repay Virginia Water Project's loan.

I. Virginia Water Project's loan proceeds shall be deposited in an escrow account. The borrower must obtain written consent from the Rural Development area office prior to withdrawing any of the loan proceeds from the financial institution. A copy of each approval letter must be forwarded to VWP.

SECTION 3. Any and all ordinances, or parts thereof, in conflict with this ordinance are hereby repealed.

SECTION 4. This ordinance shall take effect as provided by law.

Introduced at a regular City Council Meeting of the City of Mexico Beach, Florida on  
December 10, 1996. ADOPTED by the City Council at a  
Regular Meeting on January 14, 1997.

ATTEST:

Patricia L. Hutchinson

City of Mexico Beach, Florida

Garry L. Gaddis  
Garry L. Gaddis, Mayor- Councilman