

ORDINANCE NO. 94

ORDINANCE PROVIDING FOR THE ACQUISITION, CONSTRUCTION AND ERECTION OF EXTENSIONS AND IMPROVEMENTS TO THE MUNICIPAL WATER SYSTEM OF THE TOWN OF MEXICO BEACH, FLORIDA; AUTHORIZING THE ISSUANCE BY THE TOWN OF NOT EXCEEDING \$72,200 WATER REVENUE BONDS, SERIES 1980 TO FINANCE THE COST THEREOF; PLEDGING THE GROSS REVENUES OF SAID SYSTEM TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS.

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 terms defined in the Original Instrument shall have the respective meanings given to such terms thereby, and the following terms shall have the following meanings, unless the text clearly otherwise requires:

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

"Construction Account" shall mean the account or accounts created pursuant to Section 3.03 of this Instrument for the purpose of receiving bond proceeds and other funds to pay the Cost of the Project.

"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 and administrative expenses related solely to the acquisition and construction of the Project.

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

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

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

"Parity Obligations" shall mean the Issuer's outstanding Water Revenue Bonds dated September 17, 1979.

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

1.02 Authority for this Instrument. This Instrument is adopted pursuant to the provisions of Part II, Ch. 166, and Part I, Ch. 159, Florida Statutes (1977), 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 System, 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 \$72,200, which shall be paid with the proceeds of the sale of the Bonds.

(C) The revenues to be derived annually from the rates, rentals, fees and other charges made and collected for the services and facilities of the System are estimated to be \$ 18,330, and will be sufficient to pay, as the same shall become due and payable, the principal of and interest on the Parity Obligations and the principal of and interest on the Bonds and Operating Expenses, the aggregate annual amount of which is estimated to be \$           . It is estimated that the period of usefulness of the System 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. No part of the Pledged Funds have been pledged or

hypothecated except with respect to 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 is authorized to issue the Bonds as additional parity obligations within the authorization contained in Section 3.04(H) of the Original Instrument. To the extent that this instrument, or the Bonds or the issuance thereof, does not comply with said Section 3.04(H) of the Original Instrument, the Government, purchaser of all of the Bonds, has waived compliance with such requirements. The Bonds shall be 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 all of the holders of the Bonds; 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 legal holders of any and all of the Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds 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 to pay Operating Expenses. The Bonds shall not constitute a lien upon the System or any other property of the Issuer or situated within its corporate territorial limits.

1.04 Project Authorized. The Project is hereby authorized.

## ARTICLE II

### AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF REVENUE BONDS

2.01 Authorization of Revenue Bonds. Subject and pursuant to the provisions of this Instrument, obligations of the Issuer to be known as "Water Revenue Bonds, Series 1980" are hereby authorized to be issued in an aggregate principal amount not exceeding Seventy-two Thousand Two Hundred Dollars (\$72,200) for the purpose of providing funds to pay the Cost of the Project.

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, 1980 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 \$200) and maturing on September 1 in the years and amounts as follows:

<u>Years</u>	<u>Amounts</u>	<u>Years</u>	<u>Amounts</u>
1982	\$ 200	2001	\$2,000
1983	1,000	2002	1,000
1984	1,000	2003	2,000
1985	1,000	2004	2,000
1986	1,000	2005	2,000
1987	1,000	2006	2,000
1988	1,000	2007	3,000
1989	1,000	2008	2,000
1990	1,000	2009	3,000
1991	1,000	2010	2,000
1992	1,000	2011	3,000
1993	1,000	2012	3,000
1994	1,000	2013	3,000
1995	1,000	2014	3,000
1996	1,000	2015	3,000
1997	1,000	2016	4,000
1998	2,000	2017	4,000
1999	1,000	2018	3,000
2000	2,000	2019	5,000

Provided, however, if the Bonds shall be issued on September 1, 1980 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, 1980, and all other dates herein shall be deferred correspondingly.

2.03 Places of Payment. The Bonds 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; and shall bear interest from the date of issue, in accordance with and upon surrender of the appurtenant interest coupons as they severally mature, unless registered; 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.

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, 1989 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing September 1, 1990 and thereafter shall, at the option of the Issuer, be redeemable in whole or in part, in inverse numerical and maturity order, on September 1, 1989 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, 1989 or thereafter, to and including September 1, 1991;
- 4%, if redeemed on September 1, 1992 or thereafter, to and including September 1, 1996;
- 3%, if redeemed on September 1, 1997 or thereafter, to and including September 1, 2000;
- 2%, if redeemed on September 1, 2001 or thereafter, to and including September 1, 2004;
- 1%, if redeemed on September 1, 2005 or thereafter, to and including September 1, 2008;

Without premium, if redeemed September 1, 2009 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. The Bonds 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 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 whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The validation certificate endorsed on the Bonds shall be executed with the manual or facsimile signature of the Mayor-Councilman. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized. The coupons attached to the Bonds 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 shall be actually sold and delivered.

2.06 Negotiability, Registration and Exchange. The Bonds 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 coupons appertaining thereto, shall be conclusively deemed to have agreed that the Bonds 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 registra-

tion 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.

The single fully-registered Bond may be exchanged by the owner and holder thereof 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 bondholder such Bonds may, in like manner, be exchanged at the expense of such bondholder 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 Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the owner 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 so surrendered shall be cancelled by the Clerk. If any such Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds 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 be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the Pledged Funds to the same extent as all other Bonds 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. \_\_\_\_\_

\$1,000

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF BAY  
TOWN OF MEXICO BEACH  
WATER REVENUE BOND, SERIES 1980

KNOW ALL MEN BY THESE PRESENTS, that the Town of Mexico Beach, a public body 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\_\_, from the special funds hereinafter mentioned, the principal sum of

ONE THOUSAND DOLLARS

and to pay interest thereon, from the date of the delivery of this Bond to the purchaser thereof, solely from said special funds, at the rate of \_\_\_\_\_ per centum (\_\_\_%) per annum, payable on September 1, 1980 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 \$72,200 of like date, tenor and effect, except as to number and date of maturity, issued to finance the cost of acquiring, erecting and constructing extensions and improvements to the municipal water system of the Issuer (the "System"), under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Part II, Ch. 166, and Part I, Ch. 159, Florida Statutes (1977), and an ordinance duly enacted by the Issuer on November 14, 1978, as supplemented by an ordinance duly enacted by the Issuer on \_\_\_\_\_, 19\_\_ (jointly, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance.

This Bond and the interest thereon 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 System 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 any taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the System. This Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any part thereof or upon any other property of the Issuer or situated within its corporate limits, but shall constitute a lien only on the gross revenues derived from the operation of the System.

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 dated September 17, 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 System 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 System 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, 1989 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing September 1, 1990 and thereafter shall, at the option of the Issuer, be redeemable in whole or in part, in inverse numerical and maturity order, on September 1, 1989 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, 1989 or thereafter, to and including September 1, 1991;
- 4%, if redeemed on September 1, 1992 or thereafter, to and including September 1, 1996;
- 3%, if redeemed on September 1, 1997 or thereafter, to and including September 1, 2000;
- 2%, if redeemed on September 1, 2001 or thereafter, to and including September 1, 2004;
- 1%, if redeemed on September 1, 2005 or thereafter, to and including September 1, 2008;

Without premium, if redeemed September 1, 2009 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 thereto 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.

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, 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:

\_\_\_\_\_  
Clerk

(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 1980, dated \_\_\_\_\_, 19\_\_, No. \_\_\_\_\_.

TOWN OF MEXICO BEACH, FLORIDA

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

(SEAL)

ATTESTED AND COUNTERSIGNED:

\_\_\_\_\_  
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 the Bond to date of maturity shall be attached hereto.

<u>Date of</u> <u>Registration</u>	<u>Name and Address of</u> <u>Registered Owner</u>	<u>Signature of</u> <u>Bond Registrar</u>
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(FORM OF SINGLE BOND)

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF BAY  
TOWN OF MEXICO BEACH  
WATER REVENUE BOND, SERIES 1980

KNOW ALL MEN BY THESE PRESENTS, that the Town of Mexico Beach, a public body 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 \_\_\_\_\_, on the first day of September, 19\_\_\_\_, from the special funds hereinafter mentioned, the principal sum of Seventy-two Thousand Two Hundred Dollars (\$72,200) 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>
1982	\$ 200	2001	\$2,000
1983	1,000	2002	1,000
1984	1,000	2003	2,000
1985	1,000	2004	2,000
1986	1,000	2005	2,000
1987	1,000	2006	2,000
1988	1,000	2007	3,000
1989	1,000	2008	2,000
1990	1,000	2009	3,000
1991	1,000	2010	2,000
1992	1,000	2011	3,000
1993	1,000	2012	3,000
1994	1,000	2013	3,000
1995	1,000	2014	3,000
1996	1,000	2015	3,000
1997	1,000	2016	4,000
1998	2,000	2017	4,000
1999	1,000	2018	3,000
2000	2,000	2019	5,000

and to pay 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 thereof, solely from said special funds, at the rate of \_\_\_\_\_ per centum (\_\_\_\_%) per annum, payable on September 1, 1980 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 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 the cost of acquiring, erecting and constructing extensions and improvements to the municipal water system of the Issuer (the "System"), under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Part II, Ch. 166, and Part I, Ch. 159, Florida Statutes (1977), and an ordinance duly enacted by the Issuer on November 14, 1978, as supplemented by an ordinance duly enacted by the Issuer on \_\_\_\_\_, 19\_\_ (jointly, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance.

This Bond and the interest thereon 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 System 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 any taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the System. This Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any part thereof or upon any other property of the Issuer or situated within its corporate limits, but shall constitute a lien only on the gross revenues derived from the operation of the System.

This Bond is payable on a parity, equally and ratably, from such gross revenues with the Issuer's outstanding Water Revenue Bonds dated September 17, 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 System 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 System 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, 1989 are not subject to prepayment prior to their respective dates of payment. The installments of principal payable on this Bond on September 1, 1990 and thereafter may, at the option of the Issuer, be prepaid in whole or in part, but only in multiples of \$1,000, in inverse chronological order of said installments, on September 1, 1989 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, 1989 or thereafter, to and including September 1, 1991;
- 4%, if paid on September 1, 1992 or thereafter, to and including September 1, 1996;
- 3%, if paid on September 1, 1997 or thereafter, to and including September 1, 2000;
- 2%, if paid on September 1, 2001 or thereafter, to and including September 1, 2004;
- 1%, if paid on September 1, 2005 or thereafter, to and including September 1, 2008;

Without premium, paid September 1, 2009 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.

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, all as of \_\_\_\_\_.

TOWN OF MEXICO BEACH, FLORIDA

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

(SEAL)

ATTESTED AND COUNTERSIGNED:

\_\_\_\_\_  
Clerk

(FORM OF VALIDATION CERTIFICATE ON ALL BONDS)

VALIDATION CERTIFICATE

This Bond was validated by judgment of the Circuit Court for Bay County, Florida rendered on \_\_\_\_\_, 19\_\_.

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



(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>Name of Paying</u> <u>Agent Authorized</u> <u>Official and Title</u>
1982	\$ 200				
1983	1,000				
1984	1,000				
1985	1,000				
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	2,000				
1999	1,000				
2000	2,000				
2001	2,000				
2002	1,000				
2003	2,000				
2004	2,000				
2005	2,000				
2006	2,000				
2007	3,000				
2008	2,000				
2009	3,000				
2010	2,000				
2011	3,000				
2012	3,000				
2013	3,000				
2014	3,000				
2015	3,000				
2016	4,000				
2017	4,000				
2018	3,000				
2019	5,000				

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

<u>Principal Due Date</u>	<u>Amount</u>	<u>Principal Prepaid</u>	<u>Principal Balance Due</u>	<u>Date Paid</u>	<u>Name of Paying Agent Authorized Official and Title</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

ARTICLE III  
COVENANTS, SPECIAL FUNDS  
AND APPLICATION THEREOF

3.01 Bonds Not to Be Indebtedness of Issuer. Neither the Bonds nor the coupons attached thereto shall be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from and secured by a prior lien upon and pledge of the Pledged Funds as herein provided. No owner or holder of any Bond or coupon appertaining thereto shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond or coupon or Operating Expenses, or be entitled to payment of such Bond or coupon from any moneys of the Issuer except from the Pledged Funds in the manner provided herein.

3.02 Security for Bonds. The payment of the principal of and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and prior lien upon the Pledged Funds. The Issuer does hereby irrevocably pledge the 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 of the Bonds the payment of the principal thereof and interest thereon at the respective maturities of the Bonds and coupons so held by them.

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

3.03 Application of Bond Proceeds. The Issuer hereby covenants that it will establish with the \_\_\_\_\_ Bank, \_\_\_\_\_, Florida, a separate account or accounts into which shall be deposited 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), 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 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 depository bank to invest such excess funds in direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America, which shall be subject to redemption at any time at face value by the holder thereof. 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 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 until the moneys thereof shall have been applied in accordance with this Instrument.

3.04 Covenants of the Issuer. So long as any of the principal of or interest on any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund, including the Reserve Account therein, a sum sufficient to pay, when due, the entire principal of the Bonds

remaining unpaid, together with interest accrued and to accrue thereon, the Issuer covenants with the holders of any and all of the Bonds 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 Bonds in like manner as applicable to the Parity Obligations. 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 Three Hundred Twelve Dollars (\$312), until such time as the funds and investments in the Reserve Account shall equal Thirty-seven Thousand Four Hundred Dollars (\$37,400), and monthly thereafter such amount as shall be necessary to maintain in the Reserve Account the sum of Thirty-seven Thousand Four Hundred Dollars (\$37,400) but not exceeding Three Hundred Twelve Dollars (\$312) monthly.

(C) 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.

(D) Remedies. Any holder of the Bonds or any coupons appertaining thereto issued under the provisions of this Instrument, or any trustee acting for the holders of such Bonds and coupons, 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 of such Bonds or coupons any lien on any real property of the Issuer.

(E) Government Approval of Extensions and Financing.

Anything herein to the contrary notwithstanding, while the Government is the holder of any of the Bonds, 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 System, other than normal maintenance of the System, or permit others to do so, without obtaining the prior written consent of the Government.

(F) Reimbursement of Advances and Interest Thereon.

While the Government shall be the holder of any of the Bonds, 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 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 Bonds, and payment thereof shall take priority over any other payments from the Reserve Account.

ARTICLE IV

MISCELLANEOUS PROVISIONS

4.01 Modification or Amendment. No material modification or amendment of this Instrument may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affect the unconditional promise of the Issuer to charge and collect such rates, fees, rentals and charges for the use of the product, services and facilities of the System and apply the same as herein provided, or reduce the number of such Bonds the written consent of

the holders of which are required by this Section for such modification or amendment, without the consent of the holders of all such Bonds.

4.02 Creation of Superior Liens. The Issuer covenants that except as herein provided it will not issue any other 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 Bonds.

4.03 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Instrument or of the Bonds 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 or provisions of this Instrument and of the Bonds.

4.04 Validation Authorized. The Issuer's Attorney is hereby authorized and directed to institute appropriate proceedings in the Circuit Court for Bay County, Florida, for the validation of the Bonds and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer any pleadings in such proceedings.

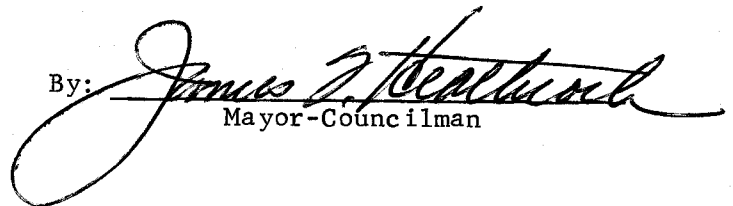
4.05 Conflicts Repealed. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

4.06 Effective Date. This Instrument shall take effect in the manner provided by law.

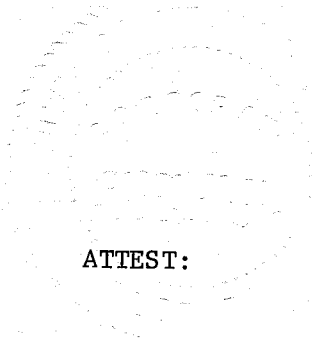
INTRODUCED at a Regular Meeting of the Town Council on the 13th day of November, 1979, and ADOPTED by the Town Council at a Regular Meeting on the 27th day of November, 1979.

TOWN OF MEXICO BEACH, FLORIDA

By:

  
Mayor-Councilman

ATTEST:

  
Patricia L. Hutchinson  
Town Clerk