

RESOLUTION NO. 2013-07

A RESOLUTION OF THE CITY OF MEXICO BEACH, FLORIDA AMENDING AND SUPPLEMENTING A RESOLUTION ADOPTED APRIL 23, 2013; AUTHORIZING THE REISSUANCE OF NOT TO EXCEED \$2,153,000 CITY OF MEXICO BEACH, FLORIDA SUBORDINATE WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2013; CORRECTING THE INTEREST RATE FOR SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEXICO BEACH, FLORIDA (the "Issuer"), as follows:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution (the "Reissuance Resolution") is adopted pursuant to the provisions of the Florida Constitution, Chapter 166, Part II, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and Ordinance No. 337, duly enacted by the City Council of the Issuer (the "City Council") on February 17, 1997, as amended by Ordinance No. 356, duly enacted by the City Council on March 30, 1999 (collectively, the "Master Bond Ordinance"), and as supplemented by Ordinance No. 589, duly enacted by the City Council on March 13, 2012 (the "Supplemental Bond Ordinance"), and as supplemented by Resolution No. 2013-04 (the "Supplemental Bond Resolution" and, together with the Master Bond Ordinance and the Supplemental Bond Ordinance, the "Bond Ordinance"). All capitalized undefined terms used herein shall have the meaning given them in the Bond Ordinance.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared that:

A. The Bond Ordinance authorized the issuance of the Issuer's Sewer System Revenue Bonds, Series 2000 (the "Senior Lien Bonds"), its Utility System Refunding Revenue Note, Series 2009 (the "Parity Bonds") and its Subordinate Water and Sewer System Revenue Bonds, Series 2013 (the "Original Series 2013 Bond").

B. The Original Series 2013 Bond was issued through the means of a negotiated and private sale to the United States of America, acting through the U.S. Department of Agriculture, Rural Development on behalf of Rural Utilities Service (the "Purchaser", and together with successors and assigns, the "Holder"), pursuant to a Letter of Conditions dated May 17, 2010, as amended by the Amendment to Letter of Conditions dated March 13, 2012 (collectively, the "Letter of Conditions") that provided an interest rate of 3.250% and annual installments of \$99,491.00.

C. As permitted by the Purchaser, the Issuer elected that the actual interest rate for the Original Series 2013 Bond be the lesser of the interest rate specified in the Letter of Conditions or the Purchaser's interest rate available at the time of issuance of the Original Series 2013 Bond.

D. On May 2, 2013, the Issuer delivered the Original Series 2013 Bond to the Purchaser with an interest rate of 3.250%.

E. On or about June 3, 2013, the Purchaser notified the Issuer that the interest rate of 3.250% was incorrect and that the proper interest rate is 2.750% and requested that the Original Series 2013 Bond be reissued with the revised interest rate.

F. The Issuer hereby determines to amend the Original Series 2013 Bond with the revised interest rate of 2.750% and thereby effect a reissuance of the Original Series 2013 Bond under the Internal Revenue Code of 1986, as amended.

SECTION 3. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase of the Amended Series 2013 Bond (as defined herein) by the Purchaser, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of the Amended Series 2013 Bond, which shall

be of equal rank and without preference, priority or distinction of any of the Parity Bonds; provided, however, such covenants and agreements shall be subordinate to any of the Senior Lien Bonds, except as expressly provided therein and herein. To the extent of any conflict between the Reissued Series 2013 Bond and this Resolution, the terms of this Resolution shall apply.

SECTION 4. AUTHORIZATION OF AMENDMENT TO ORIGINAL SERIES 2013 BOND.

Subject and pursuant to the provisions hereof, the obligation of the Issuer to be known as "Amended Subordinate Water and Sewer System Revenue Bonds, Series 2013," is authorized to be issued in the aggregate principal amount of not to exceed \$2,153,000 (the "Amended Series 2013 Bond").

SECTION 5. DESCRIPTION OF THE AMENDED SERIES 2013 BOND. The Amended Series 2013 Bond shall be in substantially the form provided in Section 2.07 of the Master Bond Ordinance, shall be issued as one fully registered bond in the principal amount not to exceed \$2,153,000, shall be dated as of the date of delivery to the Purchaser and shall mature as provided therein. Said Amended Series 2013 Bond shall bear interest at a rate of two and 750/1000 percent (2.750%) per annum, payable September 1, 2013 and September 1, 2014. Principal and interest shall be payable on each September 1 thereafter in the amounts provided in Exhibit B attached hereto (with the first principal payment coming due on September 1, 2015) with a final payment of all unpaid principal and interest coming due on September 1, 2052. The Amended Series 2013 Bond shall be secured in the manner described in the Bond Ordinance and shall be subject to redemption as provided in Exhibit C attached hereto.

The Amended Series 2013 Bond shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of the Florida Constitution, but the

payment of the principal of and interest thereon shall be payable solely from and secured by a lien of the Pledged Revenues. No Holder shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any real or personal property thereon.

SECTION 6. MODIFICATION AND AMENDMENT. No material modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the Holders.

SECTION 7. TAX COVENANTS. No use will be made of the proceeds of the Amended Series 2013 Bond which, if such use were reasonably expected on the date of issuance thereof, would cause the same to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986. The Issuer at all times while the Amended Series 2013 Bond and the interest thereon are outstanding will comply with the requirements of the Internal Revenue Code of 1986, including any amendments thereto and any valid and applicable rules and regulations promulgated thereunder necessary to maintain the exclusion of the interest on the Amended Series 2013 Bond from federal gross income including the creation of any rebate funds or other funds and/or accounts required in that regard.

SECTION 8. SALE OF SERIES AMENDED 2013 BOND. The negotiated and private sale of the Amended Series 2013 Bond in the aggregate principal amount of not to exceed \$2,153,000 is hereby authorized and approved. The Amended Series 2013 Bond is hereby sold to the United States of America, acting through the U.S. Department of Agriculture, Rural Development on behalf of Rural Utilities Service.

SECTION 9. NECESSARY ACTIONS. The Mayor, City Clerk, City Administrator and other appropriate officials of the Issuer are authorized to execute such delivery papers, receipts and

documents as may be necessary in connection with the delivery of the Amended Series 2013 Bond and to take all actions and do all things necessary to deliver said Amended Series 2013 Bond to the Purchaser, including delivery of a revised Legal Services Agreement to USDA.

SECTION 10. BANK QUALIFIED. The Issuer designates the Amended Series 2013 Bond as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer and any subordinate entities of the Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during calendar year 2013 to issue more than \$10,000,000 of "tax-exempt" obligations, exclusive of any private activity bonds, as defined in Section 141(a) of the Code.

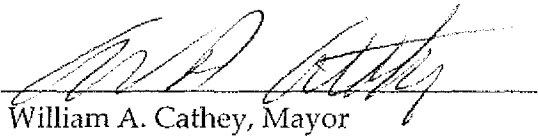
SECTION 11. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reasons whatsoever be 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, and in no way affect the validity of all the other provisions of this Resolution or of the Amended Series 2013 Bond.

SECTION 12. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

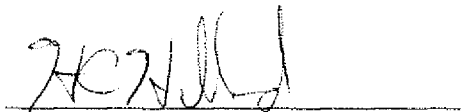
ADOPTED by the City Council of the City of Mexico Beach, Florida, on the 13<sup>th</sup> day of August, 2013.

CITY OF MEXICO BEACH, FLORIDA

(SEAL)

By:   
William A. Cathey, Mayor

ATTEST WITH SEAL:

  
Chris Hubbard, City Administrator

APPROVED AS TO FORM  
AND CORRECTNESS:

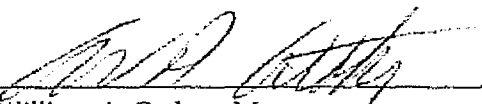
\_\_\_\_\_  
City Attorney

SECTION 12. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

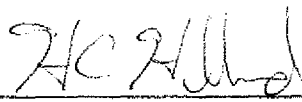
ADOPTED by the City Council of the City of Mexico Beach, Florida, on the 13<sup>th</sup> day of August, 2013.

CITY OF MEXICO BEACH, FLORIDA

(SEAL)

By:   
William A. Cathey, Mayor

ATTEST WITH SEAL:

  
Chris Hubbard, City Administrator

APPROVED AS TO FORM  
AND CORRECTNESS:

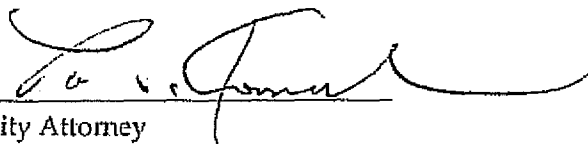
  
City Attorney

Exhibit A

DISCLOSURE STATEMENT

\$2,153,000

City of Mexico Beach, Florida

Amended Subordinate Water and Sewer Revenue Bond, Series 2013  
(the "Amended Series 2013 Bond")

City Council  
City of Mexico Beach, Florida  
Mexico Beach, Florida

In connection with the proposed issuance by the City of Mexico Beach, Florida (the "Issuer") of \$2,153,000 principal amount of the issue of Amended Series 2013 Bond, the U.S. Department of Agriculture, Rural Development on behalf of Rural Utilities Service (the "Purchaser"), has agreed to purchase the Bond.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6) and (2), Florida Statutes, as amended, certain information in respect to the arrangement contemplated for the purchase of the Bonds as follows:

(1) The nature and estimated amount of expenses to be incurred by the Purchaser and paid by the Purchaser in connection with the purchase and reoffering of the Amended Series 2013 Bond is as follows:

None

(2) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Issuer for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Amended Series 2013 Bond.

(3) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

None

(4) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Amended Series 2013 Bond to any person not regularly employed or retained by the Purchaser (including any "finder", as defined in Section 218.386(1)(a), Florida Statutes, as amended).



(5) The name and address of the Purchaser are set forth below:

United States of America, acting through the U.S. Department of Agriculture, Rural  
Development on behalf of Rural Utilities Service  
2741 Pennsylvania Avenue, Suite 5  
Marianna, Florida 32448

(6) The Issuer is proposing to issue the Amended Series 2013 Bond for the purpose of providing funds which, together with other available funds of the Issuer will be used to finance the cost of the acquisition, construction and erection of certain improvements to the water system owned and operated by the Issuer and to pay certain costs of issuance of the Amended Series 2013 Bond. The Amended Series 2013 Bond is expected to be repaid over a period of 40 years. At a fixed interest rate of 2.750% total interest paid over the life of the Amended Series 2013 Bond is expected not to exceed \$1,462,769.08.

(7) The source of repayment or security for the Amended Series 2013 Bond is the Pledged Revenues, all as defined in the Bond Ordinance. Authorizing the Amended Series 2013 Bond will result in a maximum of \$\_\_\_\_\_ of the Issuer's Pledged Revenues not being available to the Issuer each year for other uses during the term of the Amended Series 2013 Bond.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2013.

Respectfully submitted,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Exhibit B

\$2,153,000

City of Mexico Beach, Florida

Amended Subordinate Water and Sewer System Revenue Bonds, Series 2013

Principal Repayment Schedule

<u>YEAR</u> <u>(September 1)</u>	<u>AMOUNT</u>	<u>YEAR</u> <u>(September 1)</u>	<u>AMOUNT</u>
2013	-	2033	\$ 53,000
2014	-	2034	55,000
2015	\$32,000	2035	56,000
2016	34,000	2036	58,000
2017	35,000	2037	60,000
2018	36,000	2038	61,000
2019	37,000	2039	63,000
2020	38,000	2040	65,000
2021	39,000	2041	66,000
2022	40,000	2042	68,000
2023	41,000	2043	70,000
2024	42,000	2044	72,000
2025	43,000	2045	74,000
2026	44,000	2046	76,000
2027	45,000	2047	78,000
2028	47,000	2048	80,000
2029	48,000	2049	83,000
2030	49,000	2050	85,000
2031	51,000	2051	87,000
2032	52,000	2052	90,000

### Exhibit C

The Amended Series 2013 Bond or principal installments thereof maturing before September 1, 2021, are not subject to redemption prior to their respective stated dates of maturity. The Amended Series 2013 Bond or principal installments thereof maturing on September 1, 2021, 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, 2020, or on any interest payment date thereafter at par and accrued interest, plus the following premiums, expressed as a percentage of the principal amount thereof, if redeemed in the following years:

3% if redeemed September 1, 2020, or thereafter,  
but prior to August 31, 2021;

2% if redeemed September 1, 2021 or thereafter,  
but prior to August 31, 2022;

1% if redeemed September 1, 2022, or thereafter,  
but prior to August 31, 2023;

Without premium, if redeemed September 1, 2023,  
or thereafter;

provided, however, that Amended Series 2013 Bond or principal installments thereof held by the United States of America, acting through the U.S. Department of Agriculture, Rural Development, Rural Utilities Service, may be redeemed on any date, including dates prior to September 1, 2020, without the payment of a premium; that the Issuer shall have the right to call Amended Series 2013 Bond or principal installments thereof redeemable at no premium prior to calling Amended Series 2013 Bond or principal installments thereof redeemable at a premium.