

ORDINANCE NO. 81

AN ORDINANCE PROVIDING FOR THE ACQUISITION, CONSTRUCTION AND ERECTION OF WATER IMPROVEMENTS TO THE WATER AND SEWER SYSTEM OF THE CITY OF PORT ST. JOE; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$1,400,000 WATER AND SEWER SYSTEM REVENUE BONDS TO FINANCE THE COST THEREOF; PLEDGING GROSS REVENUES OF SAID SYSTEM AND EXCISE TAXES DERIVED FROM CERTAIN FRANCHISE TAXES, OCCUPATIONAL LICENSE TAXES AND UTILITY TAXES ALL LEVIED BY THE CITY, TO SECURE THE PAYMENT THEREOF; PROVIDING FOR THE ISSUANCE OF TEMPORARY BOND ANTICIPATION NOTES; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS.

BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF PORT ST. JOE, FLORIDA, as follows:

ARTICLE I
GENERAL

1.01. Authority for this Ordinance. This Ordinance is adopted pursuant to the provisions of the Charter of the City of Port St. Joe, Florida, as amended, Chapter 159, Part I, and Chapter 166, Florida Statutes, and other applicable provisions of law.

1.02. Findings. It is hereby found and determined that:

(A) For the benefit of its inhabitants, the City of Port St. Joe (hereinafter sometimes called the "Issuer") finds, determines and declares that it is necessary for the continued preservation of the health, welfare, convenience and safety of the Issuer and its inhabitants to construct water improvements to the water and sewer system in accordance with certain plans and specifications now on file with the City Clerk of the Issuer (hereinafter sometimes called the "Clerk"). The water and sewer system of the Issuer is hereafter sometimes referred to as the "system".

(B) The Issuer has been advised by its consulting engineers that the cost of constructing the system in accordance with said plans and specifications is estimated at \$1,400,000. The aforesaid cost of the system, namely \$1,400,000, shall be deemed to include all expenses necessary, appurtenant or incidental thereto, including the cost of any land or interest therein or of any fixtures or equipment, of 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 revenues, expenses for plans, specifications and surveys, interest during construction, if any, administration expenses and all other necessary miscellaneous expenses.

(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 \$102,687.00 and together with the other revenues referred to in subsection (D) of this Section will be sufficient to pay the principal and interest on the bonds herein authorized as the same become due and the annual cost of operating, repairing and maintaining the system, the aggregate annual amount of which is estimated to be \$292,058.00. 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 as a first lien the gross revenues of the water and sewer system and all moneys of the Issuer derived from the occupational and license taxes of the City collected pursuant to ordinance, the utility taxes of the City collected pursuant to ordinance and franchise taxes collected on the operation of electric service, telephone and telegraph service and cable television service and on natural gas service pursuant to ordinances to payment of the principal of, redemption premium, if any, and the interest on the bonds herein authorized. The taxes mentioned in this subsection (D) are hereafter defined as "excise taxes" in subsection (E) of Section 1.03. No part of such revenues of the system are pledged or will be pledged or hypothecated except with respect to the bonds herein authorized.

(E) This Ordinance is declared to be and shall constitute a contract between the Issuer and the holders of all such 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 the legal holders of any and all such bonds issued under this Ordinance, 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 Ordinance, obligated to levy any taxes on any real or personal property to pay the principal of or interest on the bonds hereinafter authorized or to pay the cost of maintaining, repairing and operating the system. Such bonds issued pursuant to this Ordinance shall not constitute a lien upon the system (except the lien upon the revenues of the system mentioned in (D) above) or any other property of the Issuer or situated within its corporate limits.

1.03. Definitions. The following terms in this Ordinance shall have the following meanings unless the text otherwise expressly required:

(A) "Gross Revenues" derived from the operation of the system shall mean all moneys received from rates, fees, rentals or other charges or income received by the Issuer or accruing to it in the management and operation of the system, all calculated in accordance with sound accounting practice.

(B) "Operating Expenses" of the system shall mean all current expenses, paid or accrued, for the operation, maintenance and repair of the system and its facilities, as calculated in accordance with sound accounting practice, and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Issuer related solely to the system, labor, cost of materials and supplies used for current operation, and charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may be reasonably expected to be incurred in accordance with sound accounting practice. "Operating Expenses" shall not include any allowance for depreciation or for renewals or replacements of capital assets of the system.

(C) "Net Revenues" of the system shall mean the gross revenues thereof, as defined in subsection (A), after deducting therefrom only the operating expenses of the same, as defined in Subsection (B).

(D) "Fiscal Year" shall mean the period commencing on October 1st of each year and continuing to and including the succeeding September 30th.

(E) "Excise Taxes" of the City of Port St. Joe shall mean the pledged excise taxes received by the City of Port St. Joe from the following sources pursuant to the following ordinances:

(1) Franchise tax collected from Florida Power Corporation pursuant to Ordinance No. 156-X adopted on May 15, 1956,

(2) Franchise tax collected from St. Joseph Telephone Company pursuant to Ordinance No. 141-X adopted on March 16, 1954,

(3) Franchise tax collected from Gulf Cablevision pursuant to Ordinance No. 13 adopted on September 1, 1964,

(4) Utility taxes collected pursuant to Ordinance No. 56 adopted on July 18, 1972, and

(5) Occupational license taxes collected pursuant to Ordinance No. 55 adopted on June 3, 1972.

1.04. Construction of System Authorized. The Issuer is hereby authorized to construct the system as defined in Section 1.02 (A) above.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF REVENUE BONDS

2.01. Authorization of Revenue Bonds. Subject and pursuant to the provisions of this Ordinance, obligations of the Issuer to be known as "City of Port St. Joe Water and Sewer System Revenue Bonds" (hereinafter sometimes referred to as the "Bonds") are hereby authorized to be issued in an aggregate principal amount not exceeding One Million Four Hundred Thousand Dollars (\$1,400,000) for the purpose of providing funds to pay the cost of such project provided for in Section 1.02 hereof.

2.02. Description of Bonds. The bonds issued hereunder shall be dated as of the date of their delivery; shall be in the denomination of \$1,000, or any multiple thereof, not exceeding \$10,000 or the amount maturing in each year; shall be numbered consecutively from 1 upward; shall bear interest at not exceeding the legal rate per annum, payable on September 1, 1976, and annually thereafter on September 1 of each year; and the principal shall mature serially in numerical order on September 1 of each year in the years and amounts as follows:

YEAR	AMOUNT	YEAR	AMOUNT	YEAR	AMOUNT
1978	\$13,000	1991	\$24,000	2004	\$46,000
1979	13,000	1992	26,000	2005	48,000
1980	15,000	1993	27,000	2006	51,000
1981	15,000	1994	28,000	2007	54,000
1982	16,000	1995	30,000	2008	56,000
1983	16,000	1996	31,000	2009	59,000
1984	18,000	1997	33,000	2010	62,000
1985	18,000	1998	35,000	2011	67,000
1986	19,000	1999	36,000	2012	68,000
1987	20,000	2000	38,000	2013	71,000
1988	21,000	2001	40,000	2014	75,000
1989	22,000	2002	42,000	2015	79,000
1990	24,000	2003	44,000		

2.03. Places of Payment. Such bonds shall be issued in coupon form; 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 United States of America, acting through the Farmers Home Administration, U.S. Department of Agriculture, hereinafter called 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. Bonds maturing on or before September 1, 1985 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing September 1, 1986 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, 1985 or on any interest payment date thereafter at par and accrued interest plus the following premiums, expressed as a percentage of the par value of the bonds so redeemed, if redeemed in the following years:

6% if redeemed September 1, 1985 or thereafter, but prior to September 1, 1988;

5% if redeemed September 1, 1988 or thereafter, but prior to September 1, 1991;

4% if redeemed September 1, 1991 or thereafter, but prior to September 1, 1994;

3% if redeemed September 1, 1994 or thereafter, but prior to September 1, 1997;

2% if redeemed September 1, 1997 or thereafter, but prior to September 1, 2000;

1% if redeemed September 1, 2000 or thereafter, but prior to September 1, 2003; and

Without premium, if redeemed September 1, 2003 or thereafter;

provided, however, that bonds held by the United States of America may be redeemed on any interest due date without the payment of a premium, that the Issuer shall have the right to call bonds redeemable at no premium prior to calling bonds redeemable at a premium, and that at least thirty (30) days prior to the redemption date written notice of any redemption shall be given to the paying agent named in the bonds and to each of the registered owners at their respective addresses as they appear upon the registration books of the Clerk of the Issuer and shall be published at least once in a financial newspaper published in the City of New York, New York.

2.05. Execution of Bonds. The bonds shall be executed in the name of the Issuer by its Mayor and the corporate seal of the Issuer shall be impressed thereon, attested by its Clerk. In case any one or more of the officers who shall have signed or sealed any of the bonds 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 by the Mayor by his facsimile signature. 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 and Clerk of the Issuer. 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 adoption of this Ordinance 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 and Registration. The bonds shall be and shall have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law 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 the qualities and incidents of negotiable instruments.

The 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 of the Issuer, 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 by registered or transferred to bearer as before. The Bond Registrar shall not be required to make any such transfer of bonds during the fifteen (15) days next preceding as 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.

2.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any bonds 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, 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 canceled by the Clerk of the Issuer. 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 duplication 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 funds, as hereinafter pledged, 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 form, with only such omissions, insertions and variations as may be necessary and desirable and approved by the Mayor prior to the issuance thereof (which approval may be presumed by his execution of the bonds and the Issuer's delivery of the bonds to the purchasers thereof):

No. _____

§ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF GULF
CITY OF PORT ST. JOE
WATER AND SEWER SYSTEM REVENUE BOND

KNOW ALL MEN BY THESE PRESENTS, that the City of Port St. Joe, a public body created and existing under and by virtue of the laws of the State of Florida (hereinafter sometimes referred to as 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

THOUSAND DOLLARS

and to pay interest thereon, from the date of 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, _____ 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. Both principal and interest on this bond are payable at _____, Florida, 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 \$1,400,000 of like date, tenor and effect, except as to number, date, denomination, interest rate (if all bonds do not bear the same rate of interest) and date of maturity, issued to finance the cost of acquiring, erecting and constructing water improvements to the existing water and sewer system of the Issuer, hereinafter referred to as the "system", under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Chapter 159, Part 1, and Chapter 166, Florida Statutes, the Charter of the City of Port St. Joe, Florida, as amended, and an Ordinances duly enacted by the Issuer on _____, 19____ (herein referred to as the "Ordinance"), and is subject to all the terms and conditions of such Ordinances.

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 and from excise taxes derived by the Issuer pursuant to ordinances of the Issuer levying occupational license taxes, utility taxes and franchise taxes, in the manner and to the extent 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 and upon the excise taxes.

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, together with the excise taxes, will always produce cash revenues which will be sufficient to pay, and out of such funds pay, as the same shall become due the principal of and interest on the bonds, the necessary expenses of operating and maintaining the system and all reserves, Sinking Fund or other payments required by the Ordinance, and that such rates, rentals, fees or other charges will not be reduced so as to be insufficient to provide funds for such purposes.

Bonds maturing on or before September 1, 1985 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing September 1, 1986 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, 1985 or on any interest payment date thereafter at par and accrued interest plus the following premiums, expressed as a percentage of the par value of the bonds so redeemed, if redeemed in the following years:

6% if redeemed September 1, 1985 or thereafter, but prior to September 1, 1988;
5% if redeemed September 1, 1988 or thereafter, but prior to September 1, 1991;
4% if redeemed September 1, 1991 or thereafter, but prior to September 1, 1994;
3% if redeemed September 1, 1994 or thereafter, but prior to September 1, 1997;
2% if redeemed September 1, 1997 or thereafter, but prior to September 1, 2000;
1% if redeemed September 1, 2000 or thereafter, but prior to September 1, 2003; and
Without premium, if redeemed September 1, 2003 or thereafter;

provided, however, that bonds held by the United States of America may be redeemed on any interest due date without the payment of a premium, that the Issuer shall have the right to call bonds redeemable at no premium prior to calling bonds redeemable at a premium, and 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 Uniform Commercial Code - Investment Securities Law 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 City of Port St. Joe, Florida, has issued this bond and has caused the same to be executed in its name and on its behalf by its Mayor and its corporate seal to be impressed hereon, attested and countersigned by its Clerk, all as of _____, 19____.

CITY OF PORT ST. JOE, FLORIDA

By _____
Mayor

(SEAL)
ATTESTED AND COUNTERSIGNED:

Clerk

Approved as to the terms and correctness thereof
(facsimile)

City Attorney

the system for the current month, all in accordance with the Annual Budget. Any balance remaining in the Operation and Maintenance Fund at the end of the fiscal year and not required to pay costs incurred during said fiscal year shall be deposited promptly into the Revenue Fund.

(E) Excise Taxes Fund. The Issuer covenants and agrees to establish with a depository 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, a special fund to be known as the "City of Port St. Joe Occupational License Taxes, Franchise Taxes and Utility Taxes Fund", hereinafter called the "Excise Taxes Fund", which shall be used exclusively for the purpose of receiving deposits of all of the occupational license taxes, franchise and utilities taxes as soon as the same are collected by the Issuer. The funds on deposit in the Excise Taxes Fund shall be used to pay any deficiencies in the payments required to be made monthly pursuant to the requirements of subsection (D) and (D). After the 15th day of each month, if all of the above-required current payments have been made into the Bond Interest and sinking fund and the Operation and Maintenance Fund, the balance of any moneys on deposit in the Excise Taxes Fund may be withdrawn and used by the Issuer for any lawful municipal purpose.~~ and which is eligible under the Laws of the State of Florida to receive municipal funds, a special fund to be known as the "City of Port St. Joe Occupational License Taxes, Franchise Taxes and Utility Taxes Fund", hereinafter called the "Excise Taxes Fund", which shall be used exclusively for the purpose of receiving deposits of all of the occupational license taxes, franchise and utilities taxes as soon as the same are collected by the Issuer. The funds on deposit in the Excise Taxes Fund shall be used to pay any deficiencies in the payments required to be made monthly pursuant to the requirements of subsection (D) and (D). After the 15th day of each month, if all of the above-required current payments have been made into the Bond Interest and sinking fund and the Operation and Maintenance Fund, the balance of any moneys on deposit in the Excise Taxes Fund may be withdrawn and used by the Issuer for any lawful municipal purpose.

(F) Transfer to Excess Funds and Provision for Deficiencies. Subject to the provisions for the disposition of revenues in paragraphs (C) and (D), which are cumulative, the Issuer shall either (i) transfer on or before the 15th day of each month the balance of excess funds in the Revenue Fund to the Reserve Account in the Sinking Fund for prompt use in redeeming bonds in inverse numerical and maturity order or acquiring outstanding bonds for retirement at not to exceed the price of par and accrued interest to the extent funds and investments therein exceed the amount of _____ Dollars (\$ _____), or (ii) use such excess funds for any other lawful purpose to the extent funds and investments therein exceed the amount of _____ Dollars (\$ _____). If at any time the funds on deposit to the credit of the Revenue Fund shall be insufficient to make any payment or deposit required by this Ordinance, the Issuer covenants and agrees that it will make such necessary deposit or payment from the Excise Taxes Fund and if the sums on deposit therein are insufficient for such purpose then it will make such required deposits from any other funds of the Issuer derived from sources other than ad valorem taxation and which may be legally available for such purpose.

(F) Trust Funds. The funds and accounts created and established by this Ordinance shall constitute trust funds for the purpose provided herein for such funds. All of such funds, except as hereinafter provided, shall be continuously secured in the same manner as municipal deposits of funds are required to be secured by the Laws of the State of Florida. Moneys on deposit to the credit of the Reserve Account shall be invested by the depository bank, upon request by the Issuer, in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America and which shall be subject to redemption at face value at any time by the holder thereof at the option of such holder; and the moneys on deposit to the credit of the Sinking Fund may be so invested in such obligations which shall mature not later than fifteen (15) days prior to the date on which such moneys shall be needed to pay the principal of and interest on the bonds in the manner herein provided, but moneys on deposit to the credit of the Revenue Fund and the Operation and Maintenance Fund shall not be invested at any time. The securities so purchased as an investment of funds shall be deemed at all times to be a part of the account from which the said investment was withdrawn, and the interest accruing thereon and any profit realized therefrom shall be credited to such account and any loss resulting from such investment shall likewise be charged to said account.

(G) Rates and Charges. The Issuer covenants and agrees to maintain and collect, so long as any of the bonds are outstanding, such schedule of rates and charges for the services and facilities of the system which will produce revenues which together with the other revenues identified and pledged by this Ordinance will be sufficient to provide for current debt service and reserve requirements for the bonds herein authorized and pay the reasonable expenses of operation and maintenance of the system; and the Issuer covenants and agrees that so long as any of the bonds are outstanding and unpaid, at the same time and in like manner that the Issuer prepares its Annual Budget of the Current Expenses, the Issuer shall annually prepare an estimate of gross revenues to be derived from the operation of the system for the ensuing fiscal year, and to the extent that said gross revenues, utility taxes, franchise taxes and occupational and license taxes are insufficient to pay debt service requirements on all outstanding bonds during such ensuing year, build up and maintain the required reserve enumerated in paragraph (C) and pay Current Expenses, the Issuer shall from time to time revise the fees and rates charged for the use of the services and facilities of the system sufficiently to provide the funds required.

(H) Issuance of Other Obligations.

(1) The Issuer covenants and agrees that in the event the cost of construction or completion of the project shall exceed the dollar amount of bonds herein authorized, it shall deposit into the Construction Account the amount of such excess out of funds available to it for such purposes, and the Issuer may provide such excess, and only such excess, through the issuance of parity bonds conforming to the requirements of paragraph (3) of this subsection; but except to complete the project, it will not issue any other obligations payable from or secured by the revenues of the system or any other security pledged to secure payment of the bonds herein authorized, unless the conditions hereinafter set forth shall be met, or unless the lien of such obligations is junior and subordinate in all respects to the lien of these bonds.

(2) The Issuer shall have the right to add new water or sewer facilities and related auxiliary facilities, by the issuance of one or more additional series of bonds to be secured by a parity lien on and ratably payable from the gross revenues of the system and any other security pledged to these bonds, provided in each instance that:

(a) The facility or facilities to be built from the proceeds of the additional parity bonds is or are made a part of the system and its or their revenues are pledged as additional security for the additional parity bonds and the outstanding bonds.

(b) The Issuer is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the system or any part thereof and has not been in default as to any payments required to be made under this Ordinance for a period of at least the next preceding 24 months, or if at such time the bonds shall have not been outstanding for 24 months then for the period that the bonds have been outstanding.

(c) The annual net revenues for the fiscal year next preceding the issuance of additional parity bonds are certified by an independent public accountant employed by the Issuer, to have been equal to at least one and twenty-hundredths (1.20) times the average annual requirements for principal and interest on all the bonds then outstanding and payable from such pledged revenues.

(d) The estimated average annual net revenues of the facility or facilities to be constructed and acquired with the proceeds of such additional bonds (and any other funds pledged as security), when added to the estimated future average annual net revenues of the then existing system shall be at least one and twenty-hundredths (1.20) times the average annual debt service requirements for principal and interest on all outstanding bonds payable from the revenues of the system and on the additional bonds proposed to be issued. Estimates of future revenues and operating expenses shall be furnished by recognized independent consulting engineers and approved by the Commission of the Issuer and by the Mayor thereof, and shall be forecast over a period of not exceeding ten years from the date of the additional bonds proposed to be issued. Provided, however, the conditions provided by this paragraph and by the next preceding paragraph (c) may be waived or modified by the written consent of the holders of seventy-five per centum (75%) of the bonds then outstanding.

(3) The Issuer hereby covenants and agrees that in the event additional series of parity bonds are issued, it will provide that said parity bonds shall mature according to a schedule which most closely approximates equal annual installments of combined principal and interest payments for such parity bonds and all other bonds payable from the revenues of the system; it will adjust the required deposits into and the maximum amount to be maintained in the Sinking Fund, including the Reserve Account therein, on the same basis as hereinabove prescribed, to reflect the average annual debt service on the additional bonds; and it will make such additional bonds payable as to principal on September 1 of each year in which principal falls due and the coupons attached thereto payable on September 1 of each year. If in any subsequently issued series of bonds secured by a parity lien on the revenues of the system it is provided that excess revenues shall be used to redeem bonds in advance of scheduled maturity, or if the Issuer at its option undertakes to redeem outstanding bonds in advance of scheduled maturity, the Issuer covenants that calls of bonds will be applied to each series of bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of bonds outstanding at the time of such call) to the extent that this may be accomplished in accordance with the call provisions of the respective bond series, but the Issuer shall have the right to call any or all outstanding bonds which may be called at par prior to calling any bonds that are callable at a premium.

(I) Disposal of Facilities. The Issuer covenants and agrees that, so long as any of the bonds are outstanding, it will maintain its corporate identity and existence and will not sell or otherwise dispose of any of the system facilities or any part thereof, and, except as provided for above, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal to or prior to the charge or lien of these bonds. Notwithstanding the foregoing, the Issuer may at any time permanently abandon the use of, or sell at fair market value, any of its system facilities, provided that:

(a) It is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the system, and the debt service reserve for such bonds has been fully established;

(b) It will, in the event of sale, apply the proceeds to either (1) redemption of outstanding bonds in accordance with the provisions governing repayment of bonds in advance of maturity, or (2) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the system as hereinbefore provided;

(c) It has certified, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(d) It has certified that the estimated net revenues of the remaining system facilities for the next succeeding fiscal year, plus the estimated net revenues of the facility, if any, to be added to the system, satisfy the earnings test hereinbefore provided in this subsection governing issuance of additional parity bonds.

(J) Insurance on System. While any of the bonds shall remain outstanding, the Issuer shall carry at least the following insurance coverage:

(1) Fire and extended coverage insurance on the insurable portions of the system, in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty per centum (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any facility or facilities of the system, the Issuer shall deposit the insurance proceeds in the Reserve Account and promptly arrange for the application thereof to the repair or reconstruction of the damaged or destroyed portion thereof.

(2) Public liability insurance relating to the operation of the system, with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident, to protect the Issuer from claims for bodily injury, death or either of such occurrences; and not less than \$10,000 from claims for damage to property of others which may arise from the Issuer's operation of the system.

(3) If the Issuer owns or operates a vehicle in the operation of the system, vehicular public liability insurance with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the Issuer from claims for bodily injury and death, and not less than \$10,000 against claims for damage to property of others which may arise from the Issuer's operation of vehicles.

(4) All such insurance shall be carried for the benefit of the holders of the bonds. All moneys received for losses under any of such insurance, except public liability are hereby pledged by the Issuer as security for the bonds herein authorized, until and unless such proceeds are used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed within ninety (90) days from the receipt of such proceeds.

(K) Maintenance of System. The Issuer will complete the construction of the project as provided for in this Ordinance in an economical and efficient manner with all practicable dispatch, and thereafter will maintain the system in good condition and continuously operate the same in an efficient manner and at a reasonable cost.

(L) No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by its system, nor will any preferential rates be established for users of the same class; and if the Issuer shall avail itself of the facilities or services provided by the system, or any part thereof, then the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the Issuer. Such charges shall be paid as they accrue,

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 City of Port St. Joe, 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 and Sewer System Revenue Bond, dated _____, 19____, No. _____.

CITY OF PORT ST. JOE, FLORIDA
By _____ (facsimile)
Mayor

(SEAL)
ATTESTED AND COUNTERSIGNED:

(facsimile)
Clerk

FORM OF VALIDATION CERTIFICATE

This bond is one of a series of bonds which were validated by judgment of the Circuit Court for Gulf County, Florida, rendered on _____, 19____.

By _____ (facsimile)
Mayor

PROVISIONS FOR REGISTRATION

This bond may be registered as to both principal and interest on the books kept 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 on said books by the registered holder or his legal representative and similarly noted 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.

DATE OF REGISTRATION	NAME AND ADDRESS OF REGISTERED OWNER	SIGNATURE OF BOND REGISTRAR

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 the Constitution of Florida, but shall be payable solely from and secured by a prior lien upon and a pledge of said gross revenues and the pledged excise taxes as herein provided. No owner or holder of any bond or coupon issued hereunder shall even have the right to compel the exercise of any ad valorem taxing power, or taxation in any form, to pay such bond or coupon or the cost of operating and maintaining the system, or be entitled to payment of such bond or coupon from any funds of the Issuer except from the gross revenues derived from the operation of the system in the manner provided herein and to the extent the gross revenues are insufficient for such purpose from the pledged excise taxes described in subsection (E) of Section 1.03 of this Ordinance.

3.02. Bonds Secured by Pledge of Gross Revenues and Special Funds Created Therefrom. The payment of the debt service of all of the bonds issued hereunder shall be secured forthwith equally and ratably by a pledge of and a prior lien upon the gross revenues derived from the operation of the system, as now or hereafter constituted and the excise taxes, as defined in subsection (D) of Section 1.03. The Issuer does hereby irrevocably pledge such funds to the payment of the principal of and interest on the bonds issued pursuant to this Ordinance, and to the payment therefrom into the Sinking Fund at the times provided of the sums required to secure to the holders of the bonds issued hereunder the payment of the principal of and interest thereon at the respective maturities of the bonds and coupons so held by them.

3.03. Application of Bond Proceeds. The Issuer hereby covenants that it will establish with the Florida First National Bank at Port St. Joe, Port St. Joe, Florida, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited the proceeds from the sale of the bonds herein authorized (except such portion thereof as shall be necessary to pay interest on the bonds during the construction of the project, which shall be deposited to the Sinking Fund) 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 the 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 hereinafter established, and the Construction Account shall be closed.

All moneys deposited in said 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 Ordinance.

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 herein established, 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 issued pursuant to this Ordinance, as follows:

(A) Annual Budget of Current Expenses. The Issuer covenants and agrees that on or before the date of completion of construction of the project, or the date of delivery of the bonds to the purchasers thereof if the system shall then be revenue producing, it will adopt a budget of Current Expenses for the system for the remainder of the then current fiscal year and thereafter, on or before the first day of each fiscal year during which any of the bonds are outstanding, it will adopt an Annual Budget of Current Expenses for the ensuing fiscal year, and will mail a copy of such budget or amendments thereto to any requesting bondholder. Current Expenses shall include all reasonable and necessary costs of operating, repairing, maintaining and insuring the system, but shall exclude depreciation, payments into the Sinking Fund and payments into the Reserve Account. The Issuer covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts required therefor, and that it will not expend any amount or incur any obligations for operations, maintenance and repair in excess of the amount provided for Current Expenses in the Annual Budget, except upon resolution by its City Commission that such expenses are necessary to operate and maintain the system.

(B) Revenue Fund. The Issuer covenants and agrees that as soon as the bonds shall be delivered to the purchasers thereof, it will establish with a depository 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, and maintain so long as any of the bonds are outstanding, a special fund to be known as the "City of Port St. Joe Water and Sewer System Revenue Fund", hereinafter called the "Revenue Fund". Into such Revenue Fund the Issuer shall deposit promptly as received all cash income derived from the ownership and operation of the system. The Revenue Fund shall be held by the Issuer separate and apart from all other funds and shall be expended and used only in the manner and order specified in paragraphs (C), (D) and (F) of this section.

(C) Bond and Interest Sinking Fund. The Issuer covenants and agrees to establish with a depository 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 a special fund or funds, collectively called "City of Port St. Joe Water and Sewer System Bond and Interest Sinking Fund", hereinafter called the "Sinking Fund", to be used exclusively for the purposes hereinafter mentioned. As soon after delivery of the bonds as the system shall be revenue-producing, the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of the Sinking Fund the following amounts:

(1) A sum equal to 1/12 of the amount of one year's interest on all the bonds then outstanding, together with the amount of any deficiency in prior deposits for interest; and

(2) Beginning on _____, a sum equal to 1/12 of the principal of the bonds maturing on the next succeeding anniversary date, together with the amount of any deficiency in prior deposits for principal.

(3) After fulfillment of the requirements of paragraphs (C) (1) and (2), the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of a special account in the Sinking Fund, herein called the "Reserve Account", the sum of Six Hundred Ninety-Seven and 50/100 Dollars (\$697.50) until such time as the funds and investments therein shall equal Eighty-Three Thousand Seven Hundred Dollars (\$83,700.00), and monthly thereafter such amount as may be necessary to maintain in the Reserve Account the sum of Eighty-Three Thousand Seven Hundred Dollars (\$83,700.00) but not exceeding Six Hundred Ninety-Seven and 50/100 Dollars (\$697.50) monthly. Moneys in the Reserve Account shall be used only for (1) paying the cost of repairing or replacing any damage to the system which shall be caused by an unforeseen catastrophe, (2) constructing improvements or extensions to the system which shall increase its net revenues and which shall be approved by said consulting engineers, if the Issuer shall not then be in default under any of the provisions of this Ordinance, and (3) paying the principal of and interest on the bonds in the event that the moneys in the Sinking Fund shall ever be insufficient to meet such payments.

(D) Operation and Maintenance Fund. The Issuer covenants and agrees to establish with a depository 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, a special fund to be known as the "City of Port St. Joe Water and Sewer System Operation and Maintenance Fund", which shall be used exclusively for the purpose of receiving funds to be transferred monthly by the Issuer from the Revenue Fund, and for paying, as they accrue, the Current Expenses of the system pursuant to the Annual Budget. As soon after delivery of the bonds as the system shall be revenue-producing, and after having made the deposits to the Sinking Fund as provided in paragraph (C) above, the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of the Operation and Maintenance Fund a sum sufficient to pay the Current Expenses of

and the Issuer shall transfer from its general funds sufficient sums to pay such charges. The revenues so received shall be deemed to be revenues derived from the operation of the system, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the system.

(M) Failure of User to Pay for Services. Upon failure of any user to pay for services rendered within sixty (60) days, the Issuer shall shut off the connection of such user and shall not furnish him or permit him to receive from the system further service until all obligations owed by him to the Issuer on account of services shall have been paid in full. This covenant shall not, however, prevent the Issuer from causing any system connection to be shut off sooner.

(N) Enforcement of Collections. The Issuer will diligently enforce and collect the rates, fees and other charges for the services and facilities of the system; and will take all steps, actions and proceedings for the enforcement and collection of such rates, charges and fees as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such fees, rates, charges and revenues herein pledged shall, as collected, be held in trust to be applied as provided in this Ordinance and not otherwise.

(O) Sufficiency of Rates. The Issuer covenants and agrees that it will fix, establish, revise from time to time whenever necessary and maintain 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 together with the utility taxes, franchise taxes and occupational license taxes to pay, and out of such funds pay, as the same shall become due, the principal of and interest on the bonds, the necessary expenses of operating and maintaining the system and all reserve, Sinking Fund or other payments required by this Ordinance, and that such rates, fees, rentals or other charges will not be reduced so as to be insufficient to provide funds for such purposes.

(P) Compliance with Laws and Regulations. The Issuer covenants and agrees to perform and comply with, in every respect, the Loan Agreements which it might have with the United States of America, acting by and through the Farmers Home Administration, U.S. Department of Agriculture (hereinafter called the "Government"), or with any other governmental agency and all applicable State Laws and regulations and to continually operate and maintain the system in good condition.

(Q) Remedies. Any holder of the bonds or any coupons appertaining thereto issued under the provisions 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 Ordinance, and may enforce and compel the performance of all duties required by this Ordinance 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.

(R) Records and Audits. The Issuer shall keep books and records of the revenues of the system, which such books and records shall be kept separate and apart from all other books, records and accounts of the Issuer, and any holder of a bond or bonds or the coupons applicable thereto issued pursuant to this Ordinance shall have the right to, at all reasonable times, inspect all records, accounts and data of the Issuer relating thereto.

So long as any of the bonds shall be outstanding, the Issuer will furnish on or before sixty (60) days after the close of each fiscal year, to any bondholder who shall request the same in writing, copies of an annual audit report prepared by an independent public accountant or an auditing official of the State of Florida, covering for the preceding fiscal year, in reasonable detail, the financial condition and record of operation of the system and any other facilities the revenues of which are pledged to the payment of the bonds.

(S) Connection with System. The Issuer will, to the full extent permitted by law, require all lands, buildings, residences and structures within its corporate limits which can use the facilities and services of the system to connect therewith and use the facilities and services thereof, and to cease the use of all other facilities. The Issuer will not grant a franchise for the operation of any competing water system until all bonds issued hereunder, together with interest thereon, shall have been paid in full.

(T) Fidelity Bond. The Issuer will require each employee who may have possession of money derived from the operation of the system to be covered by a fidelity bond written by a responsible indemnity company in an amount fully adequate to protect the Issuer from loss, all in compliance with the conditions imposed by FHA Letter of Conditions dated September 9, 1975.

(U) Government Approval of Extensions and Financing. Anything herein to the contrary notwithstanding, if the Government is the purchaser 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 or improvements other than normal maintenance of the system, or made any extensions or enlargements of the system, or permit others to do so, without obtaining the prior written consent of the Government, while the Government continues to hold any of the bonds.

(V) 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 amounts due the Government shall take priority over any other payments from the Reserve Account.

(W) Payment and Redemption of Outstanding Hospital Bonds. Heretofore the Issuer has issued Hospital Bonds pledging utility taxes mentioned in Section 7.02(D). There remains outstanding at this time Hospital Bonds in the principal amount of \$40,000. Issuer represents that it has on deposit in escrow sufficient funds to redeem the entire principal outstanding and all interest thereon. Issuer further covenants that prior to or simultaneously with the delivery of the bonds authorized by this Ordinance, Issuer will redeem all Hospital Bonds outstanding, cancel said bonds and produce evidence of such redemption and cancellation prior to the delivery of the bonds authorized by this Ordinance.

ARTICLE IV
MISCELLANEOUS PROVISIONS

4.01. Modification or Amendment. No material modification or amendment of this Ordinance, or of any Ordinance amendatory hereof or supplemental hereto, 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 and charges for the use of the 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 modifications or amendments, without the consent of the holders of all such bonds.

4.02. Creation of Superior Liens. The Issuer covenants that 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 the revenues of the system ranking prior and superior to the lien created by this Ordinance, for the benefit of the bonds herein authorized.

4.03. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Ordinance 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 Ordinance or of the bonds issued hereunder.

4.04. Notes Authorized for Interim Financing. Pursuant to authority granted by Section 215.431, Florida Statutes, the Issuer is authorized to issue its negotiable notes from time to time for the purposes authorized by this Ordinance, and for the purpose of obtaining interim financing. Prior to the sale of the bonds authorized by this Ordinance, the Issuer may issue its notes as hereafter provided and as provided in Section 215.431, Florida Statutes. The notes, if any, shall be issued only with the approval of the Farmers Home Administration. Any such notes authorized by the Issuer shall be issued upon the adoption of a resolution by the Issuer specifying the amount of notes to be issued, the maturity of such notes, the denomination, date and the rate of interest which shall be borne by such notes which shall not be at a rate greater than the highest rate authorized by law. Any such notes issued may be sold in the manner provided by Section 215.431, Florida Statutes.

4.05. Validation Authorized. The Issuer's Attorney is hereby authorized and directed to institute appropriate proceedings in the Circuit Court of the Fourteenth Judicial Circuit of Florida, in and for Gulf County, Florida, for the validation of said bonds and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer the pleadings in such proceedings.

4.06. Bonds Authorized to be Sold at Public or Private Sale. The Bonds may be sold at public or private sale at such rate or rates of interest as shall be determined by the Issuer.

4.07. Conflicts Repealed. All Ordinances, or parts of Ordinances, in conflict herewith are hereby repealed.

4.08. Covenant Prohibiting Excessive Arbitrage. The Issuer covenants to the purchasers of the bonds provided for in this Ordinance that the Issuer will not make any use of the proceeds of the bonds at any time during the term of the bonds which, if such use had been reasonably expected on the date the bonds were issued, would have caused such bonds to be "Arbitrage Bonds" within the meaning of Section 103(d) of the Internal Revenue Code of 1954, as amended, as implemented by Sections 1.103-13 and 1.103-14 of the Regulations proposed for such purpose by the United States Treasury Department or, after permanent regulations implementing such Code sections are promulgated, the corresponding provisions of such permanent regulations.

4.09. Effective Date. This Ordinance shall take effect as provided by law.

This Ordinance introduced for first reading at a regular meeting of the City Commission on the 4th day of May, 1976, and Adopted at a regular meeting of the City Commission of the 18th day of May, 1976.

CITY COMMISSION OF THE CITY OF PORT ST. JOE, FLORIDA

By: /s/ Frank Pate
Frank Pate,
Mayor-Commissioner

Attest: /s/ C. W. Brock
C. W. Brock,
City Auditor & Clerk