

RESOLUTION NO. 2015-23

A RESOLUTION OF THE CITY OF MADEIRA BEACH, FLORIDA SUPPLEMENTING A RESOLUTION ADOPTED ON EVEN DATE HEREWITH; AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED \$6,200,000 STORMWATER SYSTEM REVENUE BOND, SERIES 2015 FOR THE PURPOSE OF FINANCING THE COST OF IMPROVEMENTS TO THE CITY'S STORMWATER SYSTEM AND PAYING COSTS RELATED THERETO, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS CONTAINED HEREIN; PROVIDING A BACKUP COVENANT TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE CITY AS ADDITIONAL SECURITY FOR SUCH BOND; FIXING CERTAIN TERMS AND DETAILS OF SUCH BOND; AUTHORIZING THE PRIVATE NEGOTIATED SALE OF SUCH BOND TO REGIONS BANK PURSUANT TO THE TERMS AND CONDITIONS DESCRIBED HEREIN; SELECTING A PAYING AGENT AND BOND REGISTRAR; MAKING SUCH DETERMINATIONS AS ARE REQUIRED TO AFFORD SUCH BOND "BANK QUALIFIED" STATUS; AUTHORIZING OTHER REQUIRED ACTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Commissioners (the "Board of Commissioners") of the City of Madeira Beach, Florida (the "Issuer") has, by resolution adopted on the date hereof (the "Master Resolution" and, as supplemented hereby, the "Resolution"), authorized the issuance of a not to exceed \$6,200,000 City of Madeira, Florida Stormwater System Revenue Bond, Series 2015 (the "Series 2015 Bond"); and

WHEREAS, the Series 2015 Bond is being issued to (i) finance all or a portion of the costs of designing, permitting, acquiring, constructing and reconstructing stormwater capital projects (the "2015 Project"), and, (ii) pay the costs of issuance of the Series 2015 Bond; and

WHEREAS, the Issuer has received an offer from the Original Purchaser (as hereinafter defined) to purchase the Series 2015 Bond to achieve this objective; and

WHEREAS, the Original Purchaser does not require the establishment of a debt service reserve fund as a condition of purchase; and

WHEREAS, due to the present volatility of the market for tax-exempt public obligations such as the Series 2015 Bond, the need to access such market very quickly, the willingness of the Original Purchaser to purchase the Series 2015 Bond at an interest rate favorable to the Issuer, and the critical importance of timing of the sale of the Series 2015 Bond, the Issuer has

determined to sell the Series 2015 Bond through a negotiated sale to the Original Purchaser, and it is hereby determined that it is in the best interest of the public and the Issuer to delegate to the Mayor the authority to fix the final details of the Series 2015 Bond, based on the advice of the Financial Advisor, and accept the offer of the Original Purchaser to purchase the Series 2015 Bond at a negotiated sale pursuant to the terms of the Series 2015 Bond, if certain conditions set forth in this resolution are satisfied; and

WHEREAS, prior to acceptance by the Issuer of the offer of the Original Purchaser to purchase the Series 2015 Bond, the Original Purchaser will provide the Issuer with all applicable disclosure information required by Section 218.385, Florida Statutes; and

WHEREAS, the Issuer desires to make such determinations as are required to afford the Series 2015 Bond "bank qualified" status for purposes of Section 265(b)(3) of the Code; and

WHEREAS, the Issuer has determined it to be in its best interests and to serve a public purpose to provide in this resolution for the issuance of the Series 2015 Bond for the purposes heretofore described, and this resolution shall constitute a Supplemental Resolution for purposes of the Master Resolution; and

WHEREAS, the Series 2015 Bond will be secured by a lien on the Pledged Revenues in the manner and to the extent provided in the Resolution, and a backup covenant to budget and appropriate Non-Ad Valorem Revenues in the manner and to the extent provided herein; and

WHEREAS, the Issuer desires to appoint a Paying Agent and Registrar with respect to the Series 2015 Bond;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF MADEIRA BEACH, FLORIDA, AS FOLLOWS:

SECTION 1. Authority for this Resolution. This resolution is adopted pursuant to the provisions of the Act and the Master Resolution.

SECTION 2. Definitions. All capitalized undefined terms shall have the meaning ascribed thereto in the Master Resolution. In addition, the following terms, unless the context otherwise requires, shall have the meanings specified in this Section. Words importing singular number shall include plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Maturity Date" means the maturity date set forth in the Series 2015 Bond which shall be no later than October 1, 2030, unless earlier redeemed.

"Non-Ad Valorem Revenues" means all revenues of the Issuer not derived from ad valorem taxation, and which are lawfully available to pay debt service on the Series 2015 Bond.

"Original Purchaser" means Regions Bank, Tampa, Florida, the original purchaser of the Series 2015 Bond.

SECTION 3. Authorization of Series 2015 Bond.

There is hereby authorized to be issued a Bond designated as "City of Madeira Beach, Florida Stormwater System Revenue Bond, Series 2015" for the purpose of (i) financing all or a portion of the Project Costs of the 2015 Project and (ii) paying the costs of issuance of the Series 2015 Bond, in the aggregate principal amount of not to exceed \$6,200,000. Because of the characteristics of the Series 2015 Bond, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Series 2015 Bond, it is in the best interest of the Issuer to accept the offer of the Original Purchaser to purchase the Series 2015 Bond at a private negotiated sale. Prior to the issuance of the Series 2015 Bond, the Issuer shall receive from the Original Purchaser a Purchaser's Certificate, the form of which is attached hereto as Exhibit B and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

SECTION 4. Description of the Series 2015 Bond.

The Series 2015 Bond shall be issued as a Term Bond with a final maturity of the Maturity Date, to be dated the date of the execution and delivery, which shall be a date agreed upon by the Issuer and the Original Purchaser, and, based upon the advice of the Financial Advisor, shall have such other terms and provisions, including an interest rate equal to 2.59% (subject to adjustment as set forth in the Bond) and not exceeding the maximum interest rate permitted by the Act, principal and interest payment terms, and a redemption provision as stated herein and/or in the form of the Series 2015 Bond attached hereto as Exhibit A. The denomination of the Bond shall be its face amount. Interest on the Series 2015 Bond shall be calculated on the basis of a 360 day year consisting of twelve 30-day months. Notwithstanding anything in Section 15 of the Master Resolution to the contrary, the Series 2015 Bond is to be in substantially the form set forth on Exhibit A attached hereto, together with such non-material changes as shall be approved by the Mayor, such approval to be conclusively evidenced by the execution thereof by the Mayor. The Series 2015 Bond shall be executed on behalf of the Issuer with the manual or facsimile signature of the Mayor and a facsimile of the official seal of the Issuer, such signatures to be attested by the City Clerk and approved as to form and correctness by the manual signature of the City Attorney. In case any one or more of the officers who shall have signed or sealed the Series 2015 Bond or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Series 2015 Bond so signed and sealed has been actually sold and delivered, the Series 2015 Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed the Series 2015 Bond had not ceased to hold such office. The Series 2015 Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2015 Bond shall hold the proper office of the Issuer, although, at the date of such Series 2015 Bond,

such person may not have held such office or may not have been so authorized. 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 resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Series 2015 Bond shall be actually sold and delivered.

The Original Purchaser may transfer the Series 2015 Bond in whole or in part in accordance with the provisions of the Resolution; provided, however, under no circumstances may the Series 2015 Bond be transferred in a denomination less than \$100,000.

SECTION 5. Application of Series 2015 Bond Proceeds.

The proceeds, including any accrued interest received from the sale of the Series 2015 Bond, shall be applied by the Issuer as follows:

1. Accrued interest, if any, shall be deposited in the Interest Account in the Bond Service Fund and shall be used only for the purpose of paying interest becoming due on the Series 2015 Bond.
2. The Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2015 Bond.
3. The balance of said proceeds shall be deposited in the Project Fund to be used to pay the Project Costs of the 2015 Project.

SECTION 6. No Reserve Funding. The Issuer hereby determines that the Reserve Fund (including any account established therein) shall not secure the Series 2015 Bond.

SECTION 7. Backup Covenant to Budget and Appropriate. Subject to the next paragraph, as additional security for the Series 2015 Bond, and only to the extent Pledged Revenues are insufficient to make payments required pursuant to the Resolution, the Issuer covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, amounts sufficient to pay principal of and interest on the Series 2015 Bond and all other payments due under the Resolution not being paid from Pledged Revenues or other amounts as the same shall become due. Such covenant and agreement on the part of the Issuer to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted and appropriated as provided herein. The Issuer further acknowledges and agrees that the obligations of the Issuer to include the amount of such amendments in each of its annual budgets and to pay such amounts from Non-Ad Valorem

Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth in the Resolution.

Until such monies are budgeted and appropriated as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the holder of the Series 2015 Bond a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the Issuer hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted and appropriated as provided for herein and nothing herein shall be deemed to pledge ad valorem tax power or ad valorem taxing revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no holder of the Series 2015 Bond nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues. The obligation of the Issuer to budget, appropriate and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues. Notwithstanding any provisions of this Resolution or the Series 2015 Bond to the contrary, the Issuer shall never be obligated to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Until such monies are budgeted and appropriated as provided herein, neither this Resolution nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer other than Pledged Revenues, but shall be payable solely as provided herein and is further subject to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer and is further subject to the provisions of Section 166.241, Florida Statutes, insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after satisfaction of the funding requirements for obligations having an express lien or pledge of such revenues and the funding requirements for essential governmental services of the Issuer.

SECTION 8. Appointment of Registrar and Paying Agent. The City Clerk is hereby designated as the Registrar and Paying Agent for the Series 2015 Bond.

SECTION 9. Bank Qualified. The Issuer hereby designates the Series 2015 Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of 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 the calendar year 2015 to issue more than \$10,000,000 of "tax-exempt" obligations including such Series 2015 Bond, exclusive of any private activity bonds as defined in Section 141(a) of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code).

SECTION 10. Annual Audit; Budget. The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. The annual financial statements shall be prepared in conformity with generally accepted accounting principles. The Issuer shall annually provide to the Original Purchaser a copy of its audited financial statements within nine months of the Fiscal Year end.

The Issuer shall annually provide to the Original Purchaser a copy of its budget within 60 days of its adoption, together with any other information the Original Purchaser may reasonably request.

SECTION 11. Prior Resolutions. All prior resolutions of the Issuer inconsistent with the provisions of the Master Resolution are hereby amended and supplemented to conform with the provisions herein contained and, except as may otherwise amended and supplemented hereby, the Master Resolution shall remain in full force and effect.

SECTION 12. No Personal Liability. Neither the members of the Board of Commissioners nor any person executing the Series 2015 Bond shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 13. General Authority. The Mayor, the City Manager, the Finance Director, the City Attorney and any other proper officials of the Issuer are hereby authorized to do all acts and things required of them by this resolution, the Master Resolution, the Series 2015 Bond, or any other agreement or contract relating to the Series 2015 Bond, or that may otherwise be desirable or consistent with accomplishing the full, punctual and complete performance of all the terms, covenants and agreements contained in any of the foregoing and each member, employee, attorney and officer of the Issuer is hereby authorized and directed to execute and deliver any and all papers and instruments, including without limitation tax returns, non-arbitrage certificates, and various other certificates, and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

SECTION 14. Severability and Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, but 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 separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of the other provisions hereof or of the Series 2015 Bond.

SECTION 15. Role of Original Purchaser. The Issuer understands and acknowledges that the Original Purchaser and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to the Resolution and any other information, materials or communications provided by the Original Purchaser: (a) the Original Purchaser and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Original Purchaser and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to the Resolution, information, materials or communications; (c) the Original Purchaser and its representatives are acting for their own interests; and (d) the Issuer has been informed that the Issuer should discuss the Resolution and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer, deems appropriate before acting on the Resolution or any such other information, materials or communications.

SECTION 16. Privately Negotiated Loan. The Issuer acknowledges and agrees that the Original Purchaser is purchasing the Series 2015 Bond in evidence of a privately negotiated loan and in that connection, without the prior written consent of the Original Purchaser, the Series 2015 Bond shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

SECTION 17. Master Resolution to Continue in Force. The Master Resolution and all the terms and provisions thereof are and shall remain in full force and effect.

SECTION 18. Effective Date. This resolution shall become effective immediately upon its adoption.

**INTRODUCED AND PASSED** by the Board of Commissioners of the City of Madeira Beach, Pinellas County, Florida, on this 11<sup>th</sup> day of August, 2015.

AYES: 5

NAYS: 0

ABSENT: 0

ABSTAIN: 0

By:   
Travis Palladeno, Mayor

ATTEST:

By:   
Aimee Servedio, City Clerk

EXHIBIT A

FORM OF SERIES 2015 BOND

Dated: August 14, 2015

\$6,156,000

Maturity Date: October 1, 2030

**CITY OF MADEIRA BEACH, FLORIDA  
STORMWATER SYSTEM REFUNDING REVENUE BOND, SERIES 2015**

KNOW ALL MEN BY THESE PRESENTS that the City of Madeira Beach, Florida (the "Issuer"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of Regions Bank or registered assigns (hereinafter, the "Owner"), the principal sum of \$6,156,000 in the manner described below, together with interest on the principal balance outstanding at the Interest Rate calculated on the basis of a 360 day year consisting of twelve 30-day months.

"Interest Rate" shall mean a per annum rate equal to 2.59%, subject to adjustment in accordance with the terms hereof.

Principal of and interest on this Bond is payable in lawful money of the United States of America at such place as the Owner may designate to the Issuer in writing.

Interest shall be payable in arrears semi-annually to the Owner on each April 1 and October 1 (each an "Interest Payment Date"), commencing on October 1, 2015.

Principal on this Bond shall be payable on October 1 of the following years and amounts:

<u>Year</u> <u>(October 1)</u>	<u>Amount</u>	<u>Year</u> <u>(October 1)</u>	<u>Amount</u>
2016	\$341,000	2024	\$418,000
2017	350,000	2025	429,000
2018	359,000	2026	440,000
2019	368,000	2027	452,000
2020	378,000	2028	464,000
2021	388,000	2029	475,000
2022	398,000	2030	488,000
2023	408,000		

As described above, the final installment of the entire unpaid principal balance, together with all accrued and unpaid interest hereon, is due and payable on the Maturity Date.

From grant proceeds up to an amount equal to \$1,381,000, upon five (5) business days' prior written notice to the Owner, this Bond shall be subject to prepayment at the option of the Issuer in whole or in part on any Interest Payment Date for this Bond at a price equal to the principal amount thereof to be prepaid, plus accrued interest to the date fixed for prepayment, without penalty.

From legally available moneys of the Issuer other than such grant proceeds, upon five (5) business days' prior written notice to the Owner, this Bond shall be subject to prepayment at the option of the Issuer in whole or in part on any Interest Payment Date for this Bond at a price equal to the principal amount thereof to be prepaid, plus a prepayment premium as described below, if any, plus accrued interest to the date fixed for prepayment:

- 3% if prepaid on or before August 14, 2016
- 2% if prepaid after August 14, 2016 and on or before August 14, 2017
- 1% if prepaid after August 14, 2017 and on or before August 14, 2018
- 0% if prepaid after August 14, 2018

Any prepayment in part of the principal amount of this Bond shall be pro rata across all scheduled principal payments.

If a "Determination of Taxability" and/or a Loss of BQ Status (as such terms are defined below) shall occur, then the interest on this Bond shall be adjusted to a rate determined by the Owner in its sole discretion necessary to maintain the same after-tax yield (the "Taxable Rate") that would have been derived from the ownership of this Bond had such Determination of Taxability and/or a Loss of BQ Status not incurred. Upon the occurrence of a Determination of Taxability, the Issuer agrees to pay to the Owner of this Bond immediately upon demand (i) an additional amount equal to the difference between (a) the amount of interest paid on this Bond during the period in which all or a portion of the interest on this Bond was not excludable from the gross income of the Owner (including without limitation any former Owner) for federal income tax purposes (the "Taxable Period") and (b) the amount of interest that would have been payable on this Bond during the Taxable Period had the interest rate on this Bond been the Taxable Rate, plus (ii) an additional amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Internal Revenue Code of 1986, as amended) owed by the Owner (including without limitation any former Owner) as a result of the occurrence of a Determination of Taxability. So long as no Determination of Taxability shall have occurred, upon the occurrence of a Loss of BQ Status and for as long as this Bond remains outstanding, the Interest Rate on this Bond shall be adjusted to become the Adjusted BQ Rate. In addition, upon a Loss of BQ Status, the Issuer shall pay to the Owner (i) an additional amount equal to the difference between (A) the amount of interest actually paid on this Bond during the period of time from the date of issuance of this Bond and the next succeeding Interest Payment Date, and (B) the amount of interest that would have been paid during the period in clause (A) had this Bond borne interest at the Adjusted BQ Rate, and (ii) an

amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Owner as a result of the Loss of BQ Status. The provisions of this paragraph shall survive the payment of this Bond and the termination of the Bond Resolution.

For purposes hereof:

"Adjusted BQ Rate" means, upon a Loss of BQ Status, the interest rate per annum that shall provide the Owner with the same after tax yield that the Owner would have otherwise received had the Loss of BQ Status not occurred, taking into account the increased taxable income of the Owner as a result of such Loss of BQ Status. The Adjusted BQ Rate shall be subject to further adjustment as provided herein.

"Determination of Taxability" means that all or any portion of the interest accrued or paid on all or any portion of this Bond is not excludable from the gross income of the Owners (including without limitation any former Owner) for federal income tax purposes based on action or inaction of the Issuer (and not based on a change in law after the issuance of this Bond): (i) as determined by such Owner; (ii) upon the receipt by the Issuer or any Owner of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency; (iii) upon the issuance of any public or private ruling of the Internal Revenue Service; (iv) upon receipt by the Issuer or any Owner of an opinion of counsel experienced in tax matters relating to municipal bonds, in any case to the effect that all or any portion of the interest on this Bond is not excluded from the gross income of the Owner thereof for federal income tax purposes, or (v) upon mutual agreement by the Issuer and the Owners that a Determination of Taxability has occurred.

"Loss of BQ Status" means a determination by the Owner that this Bond is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code (or any successor provision).

The above adjustments shall be cumulative, but in no event shall the interest on this Bond exceed the maximum permitted by law. The above adjustments to the Interest Rate on this Bond shall be effective for all periods during which tax treatment of the interest on this Bond by the Owner thereof is affected.

Upon and during the continuance of a Default Event, this Bond shall bear interest at a rate per annum equal to the Default Rate until all amounts then due under this Bond are paid in full. The "Default Rate" shall be the rate per annum equal to the sum of 6% and the Interest Rate otherwise applicable to this Bond but for the occurrence of a Default Event. A "Default Event" means the occurrence of an Event of Default under Section 21 of the hereinafter defined Resolution, until cured.

This Bond is primarily issued to finance all or a portion of the costs of designing, permitting, acquiring, constructing and reconstructing stormwater capital projects, all in full compliance with Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the Charter of the City of Madeira Beach, Florida, the Stormwater Act, and other applicable provisions of law and Resolution No. 2015-22 duly adopted by the Issuer on August 11, 2015, as amended and supplemented from time to time, and as particularly supplemented by Resolution No. 2015-23 duly adopted by the Issuer on August 11, 2015 (hereinafter collectively called the "Resolution") and is subject to all the terms and conditions of such Resolution. All capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

This Bond is payable solely from and secured by a pledge of the Gross Revenues of the System levied and collected by the Issuer, and the moneys in certain funds and accounts created pursuant to the Resolution (collectively, the "Pledged Revenues"), and a backup covenant to budget and appropriate Non-Ad Valorem Revenues, in the manner and to the extent provided in the Resolution. Reference is made to the Resolution for more complete definition and description of the System, the Pledged Revenues and the Non-Ad Valorem Revenues.

This Bond does not constitute a general indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Owner of this Bond that such Owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer or taxation of any real or personal property therein for the payment of the principal of and interest on this Bond or the making of any debt service fund, reserve or other payments provided for in the Resolution.

It is further agreed between the Issuer and the Owner of this Bond that this Bond and the indebtedness evidenced thereby shall not constitute a lien upon the System, or any part thereof, or on any other property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues all in the manner provided in the Resolution.

The Issuer has covenanted in the Resolution that it will not take any action to reduce the amount of the stormwater management utility fee imposed by, or on behalf of, the Issuer pursuant to the Stormwater Act below the amount that was in effect at the time of the issuance of this Bond.

The Issuer has entered into certain further covenants with the Owner of this Bond for the terms of which reference is made to the Resolution.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and Statutes of the State of Florida.

This Bond is and has all the qualities and incidents of a negotiable instrument under Article 3 of the Uniform Commercial Code, the State of Florida, Chapter 673, Florida Statutes, as amended.

This Bond may be transferred in whole or in part by the owner thereof in accordance with the Resolution. The transfer of this Bond is registrable by the Owner hereof in person or by his attorney or legal representative at the designated corporate trust office of the Registrar but only in the manner and subject to the conditions provided in the Resolution and upon surrender and cancellation of this Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Madeira Beach, Florida has issued this Bond and has caused the same to be executed by the manual signature of the Mayor, attested and countersigned by the manual signature of its City Clerk, approved as to form and correctness by the manual signature of the City Attorney, and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the 14<sup>th</sup> day of August, 2015.

[SEAL]

CITY OF MADEIRA BEACH, FLORIDA

By:   
\_\_\_\_\_  
Mayor

ATTESTED AND COUNTERSIGNED:

By:   
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM  
AND CORRECTNESS:

By:   
\_\_\_\_\_  
City Attorney

CERTIFICATE OF AUTHENTICATION

This Bond is issued under the provisions of the within mentioned Resolution.

Date of Authentication:

\_\_\_\_\_

\_\_\_\_\_  
Registrar, as Authentication Agent

By: \_\_\_\_\_  
City Clerk

## EXHIBIT B

### FORM OF PURCHASER'S CERTIFICATE

This is to certify that Regions Bank (the "Purchaser") has not required the City of Madeira Beach, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance of the \$6,156,000 City of Madeira Beach, Florida, Stormwater System Revenue Bond, Series 2015 dated August 14, 2015 (the "Bond") and no inference should be drawn that the Purchaser, in the acceptance of said Bond, is relying on Bryant Miller Olive P.A., Bond Counsel or Trask, Metz & Daigneault LLP, City Attorney as to any such matters other than the legal opinions rendered by Bond Counsel and by the City Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 2015-22 duly adopted by the Board of Commissioners of the Issuer on August 11, 2015, as amended and supplemented from time to time, and as particularly supplemented by Resolution No. 2015-23 duly adopted by the Board of Commissioners of the Issuer on August 11, 2015 (collectively, the "Resolution").

We are aware that the loan evidenced by the Purchaser's purchase of the Bond (the "Loan") involves various risks, and that the payment of the Bond is secured solely from the sources described in the Resolution (the "Bond Security").

We have made such independent investigation of the Bond Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our lending decision, we have relied upon the accuracy of information which has been provided to us by or on behalf of the Issuer.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of the Loan and can bear the economic risk of the Loan.

We acknowledge and understand that, based on the opinion of Bond Counsel, the Resolution is not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933 (the "33 Act"), Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Bond Counsel nor the City Attorney shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, and are purchasing the Bond, as evidence of a privately placed loan, for our own account and not with a present view to a resale or other distribution to the public. We understand that the Bond may not be transferred in a denomination less than \$100,000 under any circumstances.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Bond for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are an "accredited investor" within the meaning of Regulation D promulgated under the 33 Act and/or a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the 33 Act.

DATED August 14, 2015.

REGIONS BANK

By: \_\_\_\_\_

Name: \_\_\_\_\_

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

EXHIBIT C

**FORM OF DISCLOSURE LETTER**

The undersigned, as purchaser, proposes to negotiate with the City of Madeira Beach, Florida (the "Issuer") for the private purchase of its \$6,156,000 City of Madeira Beach, Florida, Stormwater System Revenue Bond, Series 2015 (the "Bond"). Prior to the award of the Bond, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Purchaser") in connection with the issuance of the Bond (such fees and expenses to be paid by the Issuer):

Legal Fees:  
Nabors, Giblin & Nickerson, P.A.  
Purchaser's Counsel  
\$7,000.00

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the 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), except as specifically enumerated as expenses to be incurred by the Purchaser, as set forth in paragraph (1) above.

(b) 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 Bond.

3. The amount of the underwriting spread expected to be realized by the Purchaser is \$0.

4. The management fee to be charged by the Purchaser is \$0.

5. Truth-in-Bonding Statement:

It is our understanding that the Bond is being issued to finance all or a portion of the costs of designing, permitting, acquiring, constructing and reconstructing stormwater capital projects. Unless earlier prepaid, the Bond is expected to be repaid no later than October 1, 2030. Total interest paid over the life of the Bond is estimated to be \$1,372,174.23 calculated based on a fixed interest rate of 2.59%. The Bond will be payable solely from sources described in

Resolution No. 2015-22 duly adopted by the Board of Commissioners of the Issuer on August 11, 2015, as amended and supplemented from time to time, and as particularly supplemented by Resolution No. 2015-23 duly adopted by the Board of Commissioners of the Issuer on August 11, 2015 (collectively, the "Resolution"), in the manner and to the extent described therein. Issuance of the Bond is estimated to result in an annual average of approximately \$497,547.77 of revenues of the Issuer not being available to finance the services of the Issuer during the life of the Bond.

6. The name and address of the Purchaser is as follows:

Regions Bank  
1900 5<sup>th</sup> Avenue North,  
Birmingham, Alabama 35203

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Statement on behalf of the Purchaser on the 14<sup>th</sup> of August, 2015.

REGIONS BANK

By: \_\_\_\_\_  
Name \_\_\_\_\_  
Title: \_\_\_\_\_