

RESOLUTION NO. 2016-11

A RESOLUTION OF THE CITY OF MADEIRA BEACH, FLORIDA SUPPLEMENTING A RESOLUTION ADOPTED ON EVEN DATE HEREOF TO FIX CERTAIN DETAILS IN CONNECTION WITH THE ISSUANCE OF ITS NOT TO EXCEED \$725,000 INFRASTRUCTURE SALES SURTAX REVENUE NOTE, SERIES 2016; PROVIDING FOR OTHER COVENANTS WITH RESPECT TO THE NOTEHOLDER; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED by the Board of Commissioners of the City of Madeira Beach, Florida, that:

Section 1. Authority for this Resolution. This Resolution is a "Supplemental Resolution" adopted pursuant to resolution adopted by the Board of Commissioners of the Issuer on even date herewith relating to the hereinafter defined Note (the "Master Resolution") and the Act as such term is defined in the Master Resolution.

Section 2. Definitions. Unless otherwise defined in the Master Resolution, the following words and phrases shall have the following meanings when used herein:

"Authorization Denominations" means a minimum denomination of \$100,000 and \$1,000 integrals in excess thereof.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Original Purchaser is closed.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

"Maturity Date" means December 1, 2019, unless earlier redeemed.

"Note" means the Note authorized in the Master Resolution and hereby.

"Original Purchaser" means Whitney Bank d/b/a Hancock Bank, the original Holder of the Note.

"Person" means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

"Principal Office" means, with respect to the Original Purchaser, the office located Hancock Bank, 113 Designer Circle, Dothan, Alabama 36303, Attn: Steven E. Cole, or such other office as the Original Purchaser may designate to the Issuer in writing.

Section 3. Findings.

(A) The Sales Tax Revenues are not pledged or encumbered in any manner. It is estimated that the Sales Tax Revenues will be sufficient to provide for the payment of the principal of and interest on the Note and all other payment obligations under the Master Resolution and this Resolution.

(B) The Issuer has received an offer from the Original Purchaser to purchase the Note.

(C) In consideration of the purchase and acceptance of the Note authorized to be issued hereunder by those who shall be the Holder thereof from time to time, this Resolution shall constitute a contract between the Issuer and the Holder.

Section 4. Authorization of the Note. Subject and pursuant to the provisions of this Resolution, an obligation of the Issuer to be known as City of Madeira Beach, Florida Infrastructure Sales Surtax Revenue Note, Series 2016 (the "Note") is hereby authorized to be issued under and secured by the Master Resolution and this Resolution, in the principal amount of not to exceed \$725,000, for the purpose of financing and/or reimbursing all or a portion of the Costs of the Initial Project and paying certain costs of issuance incurred with respect to the Note. Because of the characteristics of the Note, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Note, it is in the best interest of the Issuer to accept the offer of the Original Purchaser to purchase the Note at a private negotiated sale. Prior to the issuance of the Note, the Issuer shall receive from the Original Purchaser a Purchaser's Certificate, the substantially final form of which is attached hereto as Exhibit B and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, the substantially final form of which is attached hereto as Exhibit C.

Section 5. Description of the Note. The Note shall be issued as a Term Bond in a denominational unit of \$1,000 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 shall have such other terms and provisions, including a fixed interest rate (subject to adjustment as described in the Note) not exceeding the maximum interest rate permitted by the Act, Amortization Installments and interest payment terms, and a redemption provision as stated in the form of the Note attached hereto as Exhibit A, provided, however, the Note shall not be issued unless the initial fixed interest rate is not in excess of 1.59%. Interest on the Note shall be calculated on the basis of a 360 day year consisting of twelve 30 day months. The Note 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 Note shall be executed on behalf of the Issuer with the manual signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual signature of the Clerk and approved as to form and correctness by the City Attorney. In case any one or more of the officers who shall have signed or sealed the Note or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Note so signed and sealed has been actually sold and delivered, the Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed the Note had not ceased to hold such office. Any Note may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Note shall hold the proper office of the Issuer, although, at the date of such Note, 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 Note shall be actually sold and delivered.

Section 6. Registration and Exchange of Note; Persons Treated as Holder. The Note is initially registered to the Original Purchaser. So long as the Note shall remain unpaid, the Registrar will keep books for the registration and transfer of the Note. The Note shall be transferable only upon such registration books and only in Authorized Denominations.

The Person in whose name a Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Note shall be made only to or upon the written order of the Holder. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 7. Payment of Principal and Interest; Limited Obligation. The Issuer promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Note shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable in the manner and to the extent provided in the Master Resolution and hereby. No holder of any Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Note, or be entitled to payment of such Note from any funds of the Issuer except from the Pledged Funds as described in the Master Resolution and herein.

Section 8. Other Covenants.

(A) The Issuer shall, within a reasonable amount of time 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. A copy of the audited financial statements for each Fiscal Year shall be furnished to the Holder or Holders of the Note within 210 days of the close of the applicable Fiscal Year. Further, if requested by the Holder of the Note, the Issuer shall provide a copy of its adopted budget and any other financial information reasonably requested. Such financial statements, budget and other financial information shall be provided at no cost to the Holder.

(B) The Issuer shall immediately notify the Holder of the Note of the occurrence of an Event of Default that it becomes aware of.

(C) The Issuer shall not grant acceleration as a remedy in the event of a default on any indebtedness secured by the Sales Tax Revenues.

(D) The Issuer shall not grant any other Holder of Bonds any approval or consent rights as a condition precedent to the exercise by the Holder of the Note of its remedies in the Event of a Default under the Resolution, and the Holder may exercise its rights and remedies subject to Article VI of the Master Resolution.

(E) The Issuer shall reimburse the Holder (or its agent, receiver or trustee) for all reasonable legal and collection costs to enforce remedies or to collect debt service payments or other amounts due the Holder.

(F) The Issuer will not adopt any Supplemental Resolution affecting or modifying the provisions of the Master Resolution or this Resolution relating to the Note without prior written consent of the Holder of the Note.

Section 9. No Reserve Funding. The Note shall not be secured by the Reserve Account or any subaccount created thereunder.

Section 10. Tax Covenant. The Issuer covenants to the Holder of the Note provided for in this Resolution that the Issuer will not make any use of the proceeds of the Note at any time during the term of the Note which, if such use had been reasonably expected on the date the Note was issued, would have caused such Note to be an "arbitrage bond" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Note from the gross income of the Holder thereof for purposes of federal income taxation.

Section 11. Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 12. Repeal of Inconsistent Instruments. All resolutions or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Section 13. No Third Party Beneficiaries. Except as may be expressly described herein, nothing in this Resolution or in the Note, expressed or implied, is intended or shall be construed to confer upon any person, other than the Issuer and the Holder, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, or any provision thereof, or of the Note, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the persons who shall from time to time be the Holder.

Section 14. Effective Date. This Resolution shall take effect immediately upon its passage.

INTRODUCED AND PASSED by the Board of Commissioners of the City of Madeira Beach, Pinellas County, Florida, on this 9th day of February, 2016.

AYES: 5

NAYS: 0

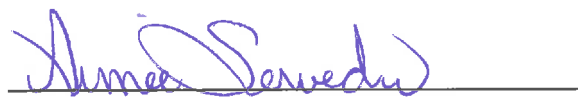
ABSENT: 0

ABSTAIN: 0



Travis Palladeno, Mayor

ATTEST:



Aimee Servedio, City Clerk

EXHIBIT A

FORM OF NOTE

Dated: February 18, 2016
Maturity Date: December 1, 2019

\$725,000

CITY OF MADEIRA BEACH, FLORIDA
INFRASTRUCTURE SALES SURTAX REVENUE NOTE, SERIES 2016

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 WHITNEY BANK D/B/A HANCOCK BANK, or registered assigns (hereinafter, the "Owner"), the principal sum of \$725,000 in the manner described below, together with interest on the principal balance outstanding at the rate of per annum of 1.59% (subject to adjustment as herein provided) calculated on the basis of a 360 day year consisting of twelve 30 day months; provided, however, that the interest rate on this Note, as it may be adjusted, shall in no event exceed the maximum interest rate permitted by the Act.

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

Interest shall be payable semi-annually to the Owner on each June 1 and December 1, commencing on June 1, 2016.

Principal on this Note shall amortize on the following dates:

<u>Year</u>	<u>Amortization Installment</u>
06/01/2016	\$53,000
12/01/2016	94,000
06/01/2017	94,000
12/01/2017	95,000
06/01/2018	96,000
12/01/2018	97,000
06/01/2019	98,000
12/01/2019	98,000

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.

This Note is being issued for the purpose of financing and/or reimbursing all or a portion of the Costs of the Initial Project and paying certain costs of issuance incurred with

respect to this Note, under the authority of and in full compliance with the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 212, Florida Statutes, Chapter 218, Part IV, Florida Statutes, the municipal charter of the Issuer, Ordinance No. 07-06 duly enacted by the Board of County Commissioners of Pinellas County, Florida on January 9, 2007, and a successful referendum conducted thereunder on March 13, 2007 where the one-cent local infrastructure sales surtax was extended through January 31, 2020, and other applicable provisions of law (collectively, the "Act"), and Resolution No. 2016-10 duly adopted by the Board of Commissioners of the Issuer on February 9, 2016, as supplemented by Resolution No. 2016-11 duly adopted by the Board of Commissioners of the Issuer on February 9, 2016 (collectively, the "Resolution"), and is subject to the terms and conditions of the Resolution.

This Note and the interest thereon are payable solely from and secured by a lien upon and a pledge of Pledged Revenues, and until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

IT IS EXPRESSLY AGREED BY THE OWNER OF THIS NOTE THAT THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE AND THAT SUCH OWNER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL, PREMIUM, IF ANY, OR INTEREST. THIS NOTE AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE SOURCES DESCRIBED ABOVE.

This Note may be prepaid in whole on any date with 10 days advance written notice to the Owner without prepayment penalty. This Note may be prepaid in part on any principal payment date with 10 days advance written notice to the Owner without prepayment penalty, provided that the City pays all accrued interest which shall have accrued to the date of prepayment and provided further that the principal amount of this Note that remains Outstanding following any prepayment shall be in multiples of one thousands (\$1,000). Principal payments shall be applied to the latest principal installments, in inverse order of maturity.

All payments by the Issuer pursuant to this Note shall apply first to accrued interest, then to other charges due the Owner, and the balance thereof shall apply to the principal sum due.

In the event of a Determination of Taxability, the interest rate shall be subject to a full gross-up modification that will provide the Owner with the equivalent after-tax yield, as

determined by the Owner and its counsel (the "Taxable Rate"), effective retroactively to the date on which such Determination of Taxability was made. In addition, upon a Determination of Taxability, the Issuer agrees to pay to the Owner subject to such Determination of Taxability the Additional Amount upon demand. "Additional Amount" means (i) the difference between (a) interest on this Note for the period commencing on the date on which the interest on this Note ceased to be excludable from gross income for federal income tax purposes and ending on the earlier of the date this Note ceased to be Outstanding or such adjustment is no longer applicable to this Note (the "Taxable Period") at a rate per annum equal to the Taxable Rate, and (b) the aggregate amount of interest paid on this Note for the Taxable Period under the provisions of this Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by such Owner to the Internal Revenue Service by reason of such Determination of Taxability. As used herein, "Determination of Taxability" means a final decree or judgment of any federal court or a final action of the Internal Revenue Service or of the United States Treasury Department determining that any interest payable on this Note is includable in the gross income of the Owner as a result of action or inaction of the Issuer. No such decree or action shall be considered final for the purposes of this paragraph unless the Issuer has been given written notice thereof and, if it is so desired by the Issuer and is legally permissible, the Issuer has been afforded the opportunity to contest the same, at its own expense, either directly or in the name of the Owner and until the conclusion of any appellate review, if sought.

In addition, while any Event of Default is not cured, this Note shall bear interest at a default rate equal to 6%; provided, however, that the interest rate on this Note, as it may be adjusted, shall in no event exceed the maximum interest rate permitted by the Act.

This Note may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Registrar and in the manner provided in the Resolution; provided, however, this Note may not be transferred in a denomination less than \$100,000 under any circumstances.

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 Note, 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 Note does not violate any constitutional or statutory limitations or provisions.

Neither the members of the Board of Commissioners of the Issuer nor any person executing this Note shall be liable personally hereon or be subject to any personal liability by reason of the issuance hereof.

IN WITNESS WHEREOF, the City of Madeira Beach, Florida has issued this Note and has caused the same to be executed by the manual signature of the Vice 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 18th day of February, 2016.

CITY OF MADEIRA BEACH, FLORIDA

[SEAL]

By _____
Vice Mayor

ATTESTED AND COUNTERSIGNED:

City Clerk

APPROVED AS TO FORM
AND CORRECTNESS:

City Attorney

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

[Insert Name, Address, Social Security or Other Identifying Number of Assignee]

the within Note and does hereby irrevocably constitute and appoint _____ as attorneys to register the transfer of the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the Owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfer to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the list above.

EXHIBIT B

FORM OF PURCHASER'S CERTIFICATE

This is to certify that Whitney Bank d/b/a Hancock Bank (the "Purchaser") has not required the City of Madeira Beach, Florida (the "City") 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 City in connection with the issuance of the \$725,000 City of Madeira Beach, Florida, Infrastructure Sales Surtax Revenue Note, Series 2016 dated February 18, 2016 (the "Note") and no inference should be drawn that the Purchaser, in the acceptance of said Note, is relying on Bryant Miller Olive P.A., Bond Counsel or Thomas J. Trask, Esq. of Trask 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. 2016-10 duly adopted by the Board of Commissioners of the Issuer on February 9, 2016, as supplemented by Resolution No. 2016-11 duly adopted by the Board of Commissioners of the Issuer on February 9, 2016 (collectively, the "Resolution").

We are aware that investment in the Note involves various risks, and that the payment of the Note is secured solely from the sources described in the Resolution (the "Note Security").

We have made such independent investigation of the Note Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our investment decision, we have relied upon the accuracy of information which has been provided to us by the City and its representatives.

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

We acknowledge and understand that 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, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the City, 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 Note as an investment for our own account and not with a present view to a resale or other distribution to the public. We understand that the Note 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 Note 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 a state chartered bank under the laws of the State of Mississippi.

DATED this 18th of February, 2016.

WHITNEY BANK D/B/A HANCOCK BANK

By: _____

Name: Steven E. Cole

Title: Senior Vice President

EXHIBIT C

FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with the City of Madeira Beach, Florida (the "City") for the private purchase of its \$725,000 City of Madeira Beach, Florida, Infrastructure Sales Surtax Revenue Note, Series 2016 dated February 18, 2016 (the "Note"). Prior to the award of the Note, the following information is hereby furnished to the City:

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

Legal Fees:
Akerman LLP
\$1,800

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Note to any person not regularly employed or retained by the Bank (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Bank, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Bank, or to the knowledge of the Bank, with the City, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the City and the Bank or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Note.

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

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

5. Truth-in-Bonding Statement:

The Note is being issued to financing and/or reimbursing all or a portion of the Costs of the Initial Project and paying certain costs of issuance incurred with respect to the Note.

The Note and the interest thereon are payable solely from and secured by a lien upon and a pledge of the Pledged Funds as described in Resolution No. 2016-10 duly adopted by the Board of Commissioners of the Issuer on February 9, 2016, as supplemented by Resolution No. 2016-11 duly adopted by the Board of Commissioners of the Issuer on February 9, 2016 (collectively, the "Resolution"). Issuance of the Note is estimated to result in a maximum of

approximately \$198,421.90 of Pledged Funds of the City not being available to finance the services of the City in each year during the life of the Note.

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

Whitney Bank d/b/a Hancock Bank
113 Designer Circle
Dothan, Alabama 36303
Attn: Steven E. Cole

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Statement on behalf of the Bank this 18th day of February, 2016.

WHITNEY BANK D/B/A HANCOCK BANK

By: _____

Name: Steven E. Cole

Title: Senior Vice President