

RESOLUTION NO. 89-4

A RESOLUTION AUTHORIZING THE CONSTRUCTION OF EXTENSIONS AND IMPROVEMENTS TO THE WATER SYSTEM OF THE CITY OF SPRINGFIELD, FLORIDA AND THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE CABLE TELEVISION SYSTEM THE CITY OF SPRINGFIELD, FLORIDA; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$1,000,000 WATER REVENUE BONDS, SERIES 1989, OF THE CITY OF SPRINGFIELD, FLORIDA TO BE APPLIED TO PAY A PORTION OF THE COST OF SUCH PROJECTS AND OTHER PUBLIC IMPROVEMENTS; PROVIDING FOR THE PAYMENT OF THE BONDS FROM THE NET REVENUES OF THE WATER SYSTEM AND CERTAIN OTHER LEGALLY AVAILABLE FUNDS; MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SPRINGFIELD, FLORIDA, AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapter 166, Part II, Florida Statutes, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms defined in this Section 2 shall have the meanings specified in this section. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

(A) "ACT" shall mean Chapter 166, Part II, Florida Statutes, and other applicable provisions of law.

(B) "ADDITIONAL PARITY OBLIGATIONS" shall mean additional obligations issued in compliance with the terms, conditions and limitations contained herein and which (i) shall have a lien on the Pledged Revenues as herein defined, equal to that of the Series 1989 Bonds (hereinafter defined), (ii) shall be payable from the Pledged Revenues on a parity with the Series 1989 Bonds (hereinafter defined), and (iii) rank equally in all other respects with the Series 1989 Bonds (hereinafter defined).

(C) "AMORTIZATION INSTALLMENT" with respect to any Term Bonds of a series, shall mean an amount so designated for mandatory principal installments (for mandatory call or otherwise) payable on any Term Bonds issued under the provisions of this Resolution or any subsequent resolution or ordinance authorizing Additional Parity Obligations.

(D) "AVERAGE ANNUAL BOND SERVICE REQUIREMENT" shall mean, as of each date on which a series of Bonds is issued, the total amount of Bond Service Requirement to become due on all Bonds deemed to be Outstanding immediately after the issuance of such series of Bonds divided by the total number of years for which Bonds are deemed to be Outstanding, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Amortization Installments to be made in prior Bond Years.

(E) "BASE PERCENTAGE" shall mean the percentage applied to the Prime Rate in determining the interest payable on the Bonds, which percentage is 75 unless there is a Determination of Taxability, in which case the percentage is 95. Interest calculated at the Base Percentage shall be calculated on the basis of a three hundred sixty-five (365) day year.

(F) "BOND SERVICE REQUIREMENT" shall mean for a given Bond Year the remainder after subtracting any accrued and funded interest for that year that has been deposited into the Debt Service Fund for that purpose from the sum of:

(i) The amount required to pay the interest coming due on Bonds during that Bond Year;

(ii) The amount required to pay the principal of Term Bonds maturing in that Bond Year that are not included in the Amortization Installments for such Term Bonds; and

(iii) The Amortization Installments for all series of Term Bonds for that Bond Year.

With respect to the Bonds, the interest rate used to calculate the Bond Service Requirement shall be assumed to be one hundred fifty percent (150%) of the greater of (a) the daily average interest rate on such Variable Rate Bonds during the twelve months ending with the month preceding the date of calculation or (b) the most recent effective interest on such Variable Rate Bonds prior to the date of calculation. If such Variable Rate Bonds were not outstanding for a full twelve months ending with the month immediately preceding the date of calculation, the rate described in clause (b) of the immediately preceding sentence shall be used.

(G) "BOND YEAR" shall mean the Fiscal Year.

(H) "BONDS" shall mean the Series 1989 Bonds (hereinafter defined), and Additional Parity Obligations issued hereafter.

(I) "BUSINESS DAY" shall mean each day on which Sun Bank, N.A. is lawfully open for the transaction of business in the State of Florida.

(J) "CLERK" shall mean the City Manager/Clerk of the Issuer.

(K) "CONNECTION CHARGES" shall mean the charges imposed on those connecting to the System for the actual cost of physically connecting into the System.

(L) "CONSTRUCTION FUND" shall mean the City of Springfield Construction Fund created and established pursuant to Section 16 of this Resolution.

(M) "CONSULTING ENGINEERS" shall mean qualified and recognized consulting engineers, having a favorable reputation for skill and experience in the management and operation of facilities of comparable size and character as the System, at the time retained by the Issuer to perform the acts and carry out the duties as herein provided for such Consulting Engineers.

(N) "COST OF OPERATION AND MAINTENANCE" of the System shall mean the then current expenses, paid or accrued, in the operation, maintenance and repair of the System, as calculated in accordance with generally accepted accounting principles, but shall not include any reserve for renewals and replacements, extraordinary repairs or any allowance for depreciation.

(O) "DEBT SERVICE FUND" shall mean the City of Springfield Debt Service Fund created and established pursuant to Section 18 of this Resolution.

(P) "DETERMINATION OF TAXABILITY" shall mean (a) the receipt by the City of an original or copy of an Internal Revenue Service technical advice memorandum or statutory notice of deficiency which holds that any interest payable on any of the Bonds is includable in the gross income of the Bondholder because the Bonds have become arbitrage bonds within the meaning of Section 148(a) of the Code; (b) The issuance of a public or private ruling of the Internal Revenue Service that any interest payable on any of the Bonds is includable in the gross income of any Bondholder for any reason; or (c) receipt by the City of an opinion of counsel that any interest on any Bond has become includable in the gross income of any Bondholder or former Bondholder for federal income tax purposes. For all purposes of this Resolution a Determination of Taxability shall be deemed to occur on the date as of which the Bonds are deemed includable in the gross income of the Bondholder (hereinafter the "Date of Taxability").

(Q) "FEDERAL SECURITIES" shall mean obligations described in Section 2(V)(i), which are not redeemable prior to maturity at the option of the obligor.

(R) "FISCAL YEAR" shall mean the period commencing on October 1 of each year and ending on the next succeeding September 30.

(S) "GROSS REVENUES" or "REVENUES" shall mean all income or earnings, including Connection Charges but not including any impact fees, received by the Issuer or accrued to the Issuer from the ownership, use or operation of the System and all parts thereof, including investment income, if any, earned on any fund or account created pursuant to this Resolution, and on any fund or account established by the Issuer for the System, all as calculated in accordance with generally accepted accounting principles, but "Gross Revenues" or "Revenues" shall not include proceeds from the sale or other disposition of the System or any part thereof, condemnation awards or proceeds of insurance received with respect to the System.

(T) "HOLDER OF BONDS" or "BONDHOLDERS" or any similar term shall mean any person who shall be the registered owner of any outstanding Bond.

(U) "INTEREST PAYMENT DATE" shall mean each January 1, April 1, July 1 and October 1 of each year.

(V) "INVESTMENT SECURITIES" shall mean any of the following, if and to the extent that the same are legal for the investment of the proceeds of the Bonds and the Revenues: (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; (ii) bonds, debentures, notes or participation certificates issued by the Federal Banks for Cooperatives, the Federal Intermediate Credit Banks, the Federal Home Loan Banks, the Export-Import Bank of the United States, the Federal Land Banks, the Federal National Mortgage Association, the Government National Mortgage Association, and direct and general obligations of any agency or instrumentality of the United States of America not included in the foregoing listing; (iii) Public Housing Bonds and Project Notes fully secured by contracts with the United States; (iv) full faith and credit direct general obligations of any state, or unlimited tax direct obligations of any political subdivision thereof, to the payment of which the full faith and credit of such political subdivision is pledged, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency; (v) pre-refunded municipal obligations; any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call such bonds or obligations on the date specified in the notice, (2) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting

only of cash or Federal Securities which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (3) which fund is sufficient, as verified by an independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (v) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (1) of this clause (v), as appropriate and which are rated in the highest rating category by a nationally recognized bond rating agency; (vi) negotiable or non-negotiable certificates of deposit or time deposits issued by any bank, trust company or national banking association which is a member of the Federal Reserve System, provided that such certificates of deposit or time deposits shall continuously be collaterally secured by investments listed in clause (i) through (iv) above having a market value (exclusive of accrued interest) at all times at least equal to such certificates of deposit or time deposits and such investments securing such certificates of deposit or time deposits shall be deposited with the chief financial officer of the Issuer, or other officer of the Issuer designated by the city manager of the Issuer, or with such other public officer or public or private institution as shall be provided for the deposit of security for the deposit of public moneys under the laws of the State of Florida; and (vii) units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Chapter 218, Part IV, Florida Statutes, or any similar common trust fund which is established pursuant to the laws of the State of Florida as a legal depository of public moneys and for which the Florida State Board of Administration acts as custodian.

(W) "ISSUER" shall mean the City of Springfield, Florida.

(X) "MAXIMUM BOND SERVICE REQUIREMENT" shall mean, as of any particular date of calculation, the greatest amount of the Bond Service Requirement for the then current or any future Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Amortization Installments, in each case to be made in prior Bond Years.

(Y) "NET REVENUES" of the System shall mean the Revenues or Gross Revenues after deduction of the Cost of Operation and Maintenance.

(Z) "OUTSTANDING" or "BONDS OUTSTANDING" shall mean all Bonds which have been issued pursuant to this Resolution, except:

(i) Bonds canceled after purchase in the open market or because of payment at maturity or redemption prior to maturity;

(ii) Bonds for the payment or redemption of which cash funds or Acquired Obligations or any combination thereof shall have been theretofore irrevocably set aside in a special account with an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such Acquired Obligations, will be sufficient to pay the principal of and interest on such Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of this Resolution or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all such Bonds at such redemption dates shall have been given to the escrow agent; and

(iii) Bonds which are deemed paid pursuant to this Resolution or in lieu of which other Bonds have been issued under Sections 11 and 13 hereof.

(AA) "PAYING AGENT" shall mean any authorized depository designated by the Issuer to serve as a Paying Agent or as the place of payment for the Series 1989 Bonds that shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds to the owners thereof, from funds made available therefor by the Issuer and any successors designated by subsequent resolution of the Issuer.

(BB) "PLEGGED REVENUES" shall mean the Net Revenues of the System.

(CC) "PRIME RATE" shall mean a rate of interest equal to the publicly announced prime rate per annum, as of any date, of Sun Bank, N.A., which rate shall be adjusted from time to time without notice or demand as of the effective date of any announced change thereof, provided such rate which is effective as of the close of business on each Business Day shall be the effective applicable rate for that day and for any succeeding day that is not a Business Day. The initial Prime Rate shall be the Prime Rate in effect at the opening of business on the date of delivery of the Bond.

(DD) "PROJECT" shall mean the construction of extensions and improvements to the Issuer's Water System and the acquisition and construction of improvements and extensions of the Issuer's cable television system and other public improvements which may be lawfully financed with the proceeds of the Series 1989 Bonds.

(EE) "PROJECT CERTIFICATE" shall mean that certificate of the Qualified Independent Consultant filed with the Issuer at or prior to the delivery of any series of Bonds setting forth the estimated total cost of the Project.

(FF) "QUALIFIED INDEPENDENT CONSULTANT" shall mean one or more qualified and recognized independent consultants, having favorable repute, skill and experience with respect to the acts and duties of the Qualified Independent Consultant to be provided to the Issuer, as shall from time to time be retained by the Issuer to perform the acts and carry out the duties herein provided for such consultants.

(GG) "REDEMPTION ACCOUNT" shall mean the special account of the same name created within the Debt Service Fund pursuant to Section 18 of this Resolution.

(HH) "REGISTRAR" shall mean the Issuer or any trust company or bank with trust powers appointed from time to time by subsequent resolution of the Issuer to serve under this Resolution.

(II) "RESERVE ACCOUNT" shall mean the special account of the same name created within the Debt Service Fund pursuant to Section 18 of this Resolution.

(JJ) "RESERVE REQUIREMENT" shall mean in any Bond Year the lesser of the Maximum Bond Service Requirement or 125% of the Average Annual Bond Service Requirement or such other amount as the Issuer shall determine by subsequent resolution.

(KK) "RESOLUTION" shall mean this Resolution as the same may be amended from time to time.

(LL) "REVENUE FUND" shall mean the City of Springfield Revenue Fund created and established pursuant to Section 18 of this Resolution.

(MM) "SERIAL BONDS" shall mean the aggregate principal amount of Bonds which are not Term Bonds and which shall mature on such dates and in such amounts as shall be determined by subsequent resolution of the Issuer.

(NN) "SERIES 1989 BONDS" shall mean the City of Springfield Revenue Bonds, Series 1989.

(OO) "SYSTEM" or the "WATER SYSTEM" shall mean the existing properties and assets, real and personal, tangible and intangible, owned and operated by the Issuer, directly or indirectly used or useful for the collection, supply, storage, treatment, transmission and distribution of water, and all properties and assets hereafter constructed or acquired as additions, improvements and betterments thereto and extensions thereof.

(PP) "TERM BONDS" shall mean the Bonds of a series, all of which shall be stated to mature on one date and designated as such by subsequent resolution.

(QQ) "TERM CURRENT INTEREST BONDS" shall mean the aggregate principal amount of Current Interest Bonds which are Term Bonds and which shall mature on such dates and in such amounts as shall be determined by subsequent resolution of the Issuer.

(RR) "VARIABLE RATE BONDS" shall mean obligations issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage at the date of issue for the entire term thereof.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) It is necessary and desirable to acquire, construct, erect and improve the Project, as provided herein, in order to preserve and protect the public health, safety and welfare of the inhabitants of the Issuer.

(B) The Pledged Revenues are not now pledged or encumbered in any manner.

(C) The estimated Pledged Revenues will be sufficient to pay all of the principal of and interest on the Series 1989 Bonds to be issued hereunder, as the same become due, and to make all required deposits to the Redemption Account, reserve or other payments required by this Resolution.

(D) The principal of and interest on the Series 1989 Bonds and all required reserve and other payments shall be payable solely from the Pledged Revenues, as herein provided. The Issuer shall never be required to levy ad valorem taxes on any property therein to pay the principal of and interest on the Series 1989 Bonds or to make any of the required reserve or other payments and such Series 1989 Bonds shall not constitute a lien upon any property of or in the Issuer.

SECTION 4. AUTHORIZATION OF CONSTRUCTION OF PROJECT. There is hereby authorized the construction of the Project in accordance with plans and specifications on file or to be filed with the Issuer. The cost of such Project in addition to the items set forth in the plans and specifications, may include, but need not be limited to, the acquisition of any lands, rights of ways or interest therein or any other properties deemed necessary or convenient therefor; engineering, legal and financing expenses, expenses for estimates of costs; expenses for plans, specifications and surveys; the fees of fiscal agents, financial advisors or consultants; operating costs incurred during construction; administrative expenses relating solely to the construction of the



Project; the capitalization of interest for a reasonable period after the issuance of the Series 1989 Bonds; the creation and establishment of reasonable reserves for debt service; repayment of interim advances and indebtedness; and such other costs and expenses as may be necessary or incidental to the financing herein authorized and the construction of the Project and the placing of same in operation.

The Issuer reserves the right, if it is found at the time of construction of the Project that the amounts allocated for a portion thereof are inadequate therefor, to allocate additional amounts from other portions of said Project and, if it be found at the time of construction of the Project that less than the amounts allocated to certain purposes are needed for such purposes, to allocate the amount so saved to other portions of the Project or, if through unusual conditions or circumstances it is deemed necessary and advisable to change or delete any of the portions of the Project described above, to make such necessary changes or deletions in such Project as the Issuer deems necessary so long as all said funds are used for the purposes provided by law and this Resolution, and, to the extent used for construction, according to the plans and specifications to be on file with the Issuer prior to disbursement of such funds.

SECTION 5. THIS RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of the Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 6. AUTHORIZATION OF SERIES 1989 BONDS. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Water Revenue Bonds, Series 1989", are authorized to be issued in the aggregate principal amount of not exceeding \$1,000,000.

SECTION 7. DESCRIPTION OF SERIES 1989 BONDS. The Series 1989 Bonds shall be issued in fully registered form; shall be dated the date of issuance; shall be numbered; shall be in the denomination of \$100,000 each, or integral multiples thereof, or such other denominations as shall be approved by the Issuer in a subsequent resolution prior to the delivery of the Series 1989 Bonds; shall bear interest at the Base Percentage, but not exceeding the maximum rate allowed by Florida law, which Base Percentage is a variable rate without original issue discounts;

such interest to be payable at each Interest Payment Date; and shall mature on such dates in such years and amounts as are fixed by Schedule A to the form of Bond set forth in Section 15 hereof; and may be Serial and/or Term Bonds.

Each Bond shall bear interest from the date on which it is authenticated; provided, however, that if at the time of authentication payment of any interest which is due and payable has not been made, such Bond shall bear interest from the date to which interest shall have been paid.

The principal of and the interest and redemption premium, if any, on the Series 1989 Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The interest on the Bonds shall be payable by the Registrar on each interest payment date to the person appearing on the registration books of the Issuer hereinafter provided for as the registered Holder thereof on the 15th day of the calendar month immediately preceding the applicable interest payment date, by check or draft mailed to such registered Holder at his address as it appears on such registration books. Payment of defaulted interest shall be made to the registered Holder of record on a special record date for the payment of such defaulted interest established by the Registrar not less than fifteen (15) days preceding such special record date.

Notwithstanding any other provisions of this section, the Issuer may, at its option, prior to the date of issuance of the Series 1989 Bonds, elect to use an immobilization system or pure book-entry system with respect to issuance of such Series 1989 Bonds, provided adequate records will be kept with respect to the ownership of such Series 1989 Bonds issued in book-entry form or the beneficial ownership of bonds issued in the name of a nominee. As long as any Series 1989 Bonds are outstanding in book-entry form the provisions of Sections 8, 9, 10 and 13 of this Resolution shall not be applicable to such Series 1989 Bonds. The details of any alternative system of issuance, as described in this paragraph, shall be set forth in a resolution of the Issuer duly adopted at or prior to the sale of such Series 1989 Bonds.

SECTION 8. EXECUTION OF BONDS. The Bonds shall be signed by, or bear the facsimile signature of, the Mayor or Mayor Pro Tempore of the Issuer and shall be signed by, or bear the facsimile signature of, the Clerk and a facsimile of the official seal of the Issuer shall be imprinted on the Bonds.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the

same as if he has remained in office until such delivery. Any Bond may bear the facsimile signature of or may be signed by such persons who, at the actual time of the execution of such Bond, shall be the proper officers to sign such Bonds although at the date of such Bond such persons may not have been such officers.

SECTION 9. AUTHENTICATION OF BONDS. Only such of the Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinbelow set forth, duly executed by the Registrar, as authenticating agent, shall be entitled to any benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication of all of the Bonds that may be issued hereunder at any one time.

SECTION 10. EXCHANGE OF BONDS. Any Bond, upon surrender thereof at the principal office of the Registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of Bonds equal to the principal amount of the Bond or Bonds so surrendered.

The Registrar shall make provision for the exchange of Bonds at the principal office of the Registrar.

SECTION 11. NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS. The Registrar shall keep books for the registration of and for the registration of transfers of Bonds as provided in this Resolution. The transfer of any Bonds may be registered only upon such books and only upon surrender thereof to the Registrar together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such registration of transfer the Issuer shall execute and the Registrar shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Bond or Bonds so surrendered.

In all cases in which Bonds shall be exchanged, the Issuer shall execute and the Registrar shall authenticate and deliver, at the earliest practicable time, a new Bond or Bonds of the same series in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchange or registration of transfer

shall forthwith be cancelled by the Registrar. The Issuer or the Registrar may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Resolution. Neither the Issuer nor the Registrar shall be required to make any such exchange or registration of transfer of Bonds during the fifteen (15) days immediately preceding any interest payment date.

SECTION 12. OWNERSHIP OF BONDS. 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 or redemption price of any such Bond, and the interest on any such 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 premium, if any, and interest thereon to the extent of the sum or sums so paid.

SECTION 13. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion cause to be executed, and the Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer and the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered shall be canceled by the Issuer. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

SECTION 14. PROVISIONS FOR REDEMPTION. The Series 1989 Bonds shall be subject to redemption prior to their maturity, in whole or in part, on any Interest Payment Date.

Notice of such redemption shall, at least thirty (30) days prior to the redemption date, be filed with the Registrar; and mailed, first class mail, postage prepaid, to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books hereinbefore provided for, but failure to mail such notice to one or more Holders of Bonds shall not affect the validity of the proceedings for such redemption with respect to Holders of Bonds to which notice was duly mailed hereunder. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 1989 Bonds of one maturity are to be called, the distinctive numbers of such Series 1989 Bonds to be redeemed and in the case of Series 1989 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Upon surrender of any Series 1989 Bond for redemption in part only, the Registrar shall authenticate and deliver to the Bondholder thereof, the cost of which shall be paid by the Issuer, a new Series 1989 Bond of an authorized denomination equal to the unredeemed portion of the Series 1989 Bond surrendered.

SECTION 15. FORM OF SERIES 1989 BONDS. The text of the Series 1989 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Resolution or by any subsequent resolution adopted prior to the issuance thereof:

[FORM OF BONDS]

No. R-

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF BAY  
CITY OF SPRINGFIELD  
WATER REVENUE BOND, SERIES 1989

KNOW ALL MEN BY THESE PRESENTS that the City of Springfield, Florida (hereinafter called "City"), for value received, hereby promises to pay to the order of \_\_\_\_\_, or registered assigns, as herein provided, from the revenues hereinafter mentioned, the principal sum of \_\_\_\_\_ DOLLARS in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from said sources, to the registered owner hereof interest on the unpaid balance of said principal sum outstanding from time to time at the Base Percentage (hereinafter defined) on the first business day of each third month, commencing with January 1, 1990 (each such date an Interest Payment Date). Principal shall be payable in installments as set forth on Schedule A attached hereto on each Interest Payment Date.

The "Base Percentage" shall be the percentage applied to the Prime Rate (hereinafter defined) in determining the interest this Bond will bear. The Base Percentage is 75 subject to adjustment as provided in the following paragraph. No adjustment to the Base Percentage shall result in the interest on this Bond accruing or becoming payable at a rate in excess of the Taxable Rate (as hereinafter defined). The "Prime Rate" shall mean a rate of interest equal to the publicly announced prime rate per annum as of any date of Sun Bank, N.A. The Prime Rate shall be adjusted from time to time without notice or demand, as of the effective date of any announced change thereof. Such rate which is in effect as of the close of business on each business day shall be the effective applicable rate for that day and for any succeeding non-business day. The initial Prime Rate shall be the Prime Rate in effect at the opening of business on the date of delivery of this Bond. Interest shall be computed on the basis of a three hundred sixty-five (365) day year.

Determination of Taxability. In the event of a Determination of Taxability (as defined in the Resolution as defined below) the Base Percentage shall be increased to 95 (the "Taxable Rate") and such increased rate of interest shall be payable from the Date of Taxability (as defined in the Resolution as defined below) until the Bond is redeemed as required herein. Payment shall be made to

the current holders of this Bond and any former holders from the Date of Taxability until the Bond is redeemed as required herein. Payment shall be made to such holders and former holders from the Date of Taxability for the period of time that such person was the registered owner of the Bond. The holder or former holder shall also be entitled to reimbursement of any penalties, additions or interest on overdue taxes and any taxes payable because of receipt of such reimbursement.

The Bonds of this issue shall be subject to redemption prior to their maturity at the option of the City, on any Interest Payment Date, in an amount equal to the then outstanding principal amount plus accrued interest thereon.

Notice of such redemption shall be given in the manner required by the Resolution described below.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$ \_\_\_\_\_ of like date, tenor and effect, except as to number, principal amount, maturity, redemption provisions, and interest rate, issued to finance a portion of the cost of constructing extensions and improvements to the Water System (as defined in the Resolution, as hereinafter defined) and the cost of acquiring and constructing improvements and expansion in the cable television system for use by the City and other public improvements authorized, all in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes and Resolution No. 89-\_\_\_ duly adopted by the City on \_\_\_\_\_, 1989, as amended and supplemented (hereinafter collectively called the "Resolution"), and is subject to all the terms and conditions of such Resolution.

This Bond is payable solely from and secured by a lien upon and pledge of the Pledged Revenues (as defined in the Resolution) which includes the Net Revenues (as defined in the Resolution) derived from the operation of the Water System) levied and collected by the City, in the manner provided in the Resolution. Reference is made to the Resolution for a more complete description of the Pledged Revenues.

This Bond does not constitute a general indebtedness of the City within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Holder of this Bond that such Bondholder shall never have the right to require or compel the exercise of the ad valorem taxing power of the City 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 reserve or other payments provided for in the Resolution.

It is further agreed between the City and the Holder of this Bond that this Bond and the indebtedness evidenced hereby shall

not constitute a lien upon the System, or any part thereof, or on any other property of or in the City, but shall constitute a lien only on the Pledged Revenues all in the manner provided in the Resolution.

The City has covenanted in the Resolution to 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 products, services and facilities of the System which will always provide Revenues (as defined in the Resolution) in each year in an amount sufficient to pay the aggregate of the amount needed to pay one hundred percent (100%) of all Costs of Operation and Maintenance as the same shall become due in such year, and one hundred thirty percent (130%) of the Bond Service Requirement becoming due in each year on the Outstanding Bonds of this Series and all outstanding Additional Parity Obligations. The City has entered into certain further covenants with the Holders of the Bonds of this issue for the terms of which reference is made to the Resolution.

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 the Bonds of this issue does not violate any constitutional, statutory, or charter limitation or provision.

This Bond is and has all the qualities and incidents of a negotiable instrument under Article 8 of the Uniform Commercial Code, the State of Florida, Chapter 678, Florida Statutes.

The transfer of this Bond is registrable by the Bondholder hereof in person or by his attorney or legal representative at the principal 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.





CERTIFICATE OF AUTHENTICATION

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

\_\_\_\_\_  
Registrar, as Authenticating Agent

Date of Authentication: \_\_\_\_\_

By (Manual Signature) \_\_\_\_\_  
Authorized Officer

ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

(Please insert Social Security or other identifying number of transferee)

the attached Bond of the City of Springfield, Florida, and does hereby constitute and appoint \_\_\_\_\_,

attorney, to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date \_\_\_\_\_

Signature Guaranteed by \_\_\_\_\_ [member firm of the New York Stock Exchange or a commercial bank or a trust company.]

By: (manual signature) \_\_\_\_\_

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

NOTICE: No transfer will be registered and no new Bonds will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

Interest Payment DatePrincipal Amount

January 1, 1990	\$16,600
April 1, 1990	17,000
July 1, 1990	17,300
October 1, 1990	17,700
January 1, 1991	18,000
April 1, 1991	18,400
July 1, 1991	18,800
October 1, 1991	19,100
January 1, 1992	19,500
April 1, 1992	19,900
July 1, 1992	20,300
October 1, 1992	20,700
January 1, 1993	21,100
April 1, 1993	21,500
July 1, 1993	21,900
October 1, 1993	22,300
January 1, 1994	22,800
April 1, 1994	23,200
July 1, 1994	23,700
October 1, 1994	24,100
January 1, 1995	26,600
April 1, 1995	25,100
July 1, 1995	25,600
October 1, 1995	26,100
January 1, 1996	26,600
April 1, 1996	27,100
July 1, 1996	27,700
October 1, 1996	28,200
January 1, 1997	28,800
April 1, 1997	29,300
July 1, 1997	29,900
October 1, 1997	30,500
January 1, 1998	31,100
April 1, 1998	31,700
July 1, 1998	32,300
October 1, 1998	33,000
January 1, 1999	33,600
April 1, 1999	34,300
July 1, 1999	34,500
October 1, 1999	34,200

[END OF BOND FORM OF CURRENT INTEREST BONDS]

SECTION 16. APPLICATION OF BOND PROCEEDS. The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Series 1989 Bonds shall be applied by the Issuer simultaneously with the delivery of such Series 1989 Bonds to the purchaser thereof, as follows:

A. The accrued interest and at the option of the Issuer interest to accrue on the Series 1989 Bonds in such amount and for such period of time as may be provided by subsequent ordinance or resolution of the Issuer shall be deposited in the Interest Account in the Debt Service Fund herein created and shall be used only for the purpose of paying interest becoming due on the Series 1989 Bonds.

B. The Issuer shall deposit to the Reserve Account in the Debt Service Fund, which Reserve Account is herein created, a sum sufficient, together with other funds on deposit in the Reserve Account to equal the Reserve Requirement on the Series 1989 Bonds, which amounts shall be used only for the purposes provided in Section 18B of this Resolution.

C. To the extent not reimbursed therefor by the original purchaser of the Series 1989 Bonds, the Issuer shall pay all costs and expenses in connection with the issuance and sale of the Series 1989 Bonds.

D. The balance of the Series 1989 Bond proceeds after providing for the payments required by A, B and C above, shall be deposited to the City of Springfield Construction Fund hereby created and established for the purpose of constructing the Project. Such Construction Fund shall constitute a trust fund and shall be used together with other available moneys by the Issuer solely to acquire, construct and equip the Project, including the reimbursement to the Issuer of moneys spent on the Project in anticipation of the sale of the Series 1989 Bonds. The Issuer agrees and covenants to commence and proceed with due diligence to complete the acquisition, construction and equipping of the Project.

SECTION 17. SPECIAL OBLIGATIONS OF ISSUER. The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues, as herein provided. No Holder or Holders of any Bonds issued hereunder shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any real or personal property therein, or to compel the Issuer to pay such principal and interest from any other funds of the Issuer except the Pledged Revenues.

The payment of principal of and interest on the Bonds shall be secured forthwith equally and ratably by, and the Issuer hereby

grants to the Bondholder an irrevocable lien on the Pledged Revenues, and the Issuer does hereby irrevocably pledge such Pledged Revenues to the payment of the principal of and interest on the Bonds, for the reserves therefor and for all other required payments.

SECTION 18. COVENANTS OF THE ISSUER. For so long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid or until the Issuer has made provision for payment of principal, interest and redemption premiums, if any, with respect to the Bonds, as provided for in Section 22 below, the Issuer covenants with the holders of any and all Bonds as follows:

A. REVENUE FUND. All Gross Revenues shall upon receipt be deposited in the "City of Springfield Revenue Fund" (hereinafter called the "Revenue Fund"), hereby created and established. All deposits into such Revenue Fund shall be deemed to be held in trust for the purposes herein provided and used and applied only for the purposes and in the manner herein provided.

The Pledged Revenues shall be and are hereby pledged to the payment of the principal of, premium, if any, and interest on the Bonds and to the security thereof. The holders of the Bonds shall have a lien upon the Pledged Revenues, in accordance with the provisions hereof. The Pledged Revenues so pledged and hereafter received by the Issuer shall immediately be subject to the lien of such pledge without any physical delivery or further act. All of the Bonds shall be equally and ratably secured hereby. The money remaining in the Revenue Fund, after making provision for the payments into the Debt Service Fund, the various accounts therein, hereinafter created and established, may, so long as there is no deficiency therein, be used for any lawful purpose.

B. DISPOSITION OF REVENUES. All Gross Revenues in the Revenue Fund shall first be used for payment of the Cost of Operation and Maintenance. Revenues remaining on deposit and not needed for the Cost of Operation and Maintenance shall be disposed of monthly, but not later than the fifteenth (15th) day of each month commencing in the month in which the delivery of the Series 1989 Bonds occurs only in the following manner and the following order of priority:

(1) From moneys remaining in the Revenue Fund, the Issuer shall next deposit into a separate fund which is hereby created and designated "City of Springfield Debt Service Fund" (hereinafter called the "Debt Service Fund"), and credit to the following accounts, each on a parity with each other, the following identified sums:

(a) Interest Account: One-third (1/3) of all estimated interest becoming due on the Bonds on the next Interest