

ORDINANCE PROVIDING FOR THE ACQUISITION
CONSTRUCTION AND ERECTION OF A NEW
MUNICIPAL WATER SYSTEM; AUTHORIZING THE
ISSUANCE OF NOT EXCEEDING \$50,000 WATER
REVENUE BONDS TO FINANCE A PART OF THE
COST THEREOF; PLEDGING THE GROSS REVENUES
OF SAID SYSTEM TO SECURE THE PAYMENT
THEREOF; AND PROVIDING FOR THE RIGHTS OF
THE HOLDERS OF SUCH BONDS.

BE IT ENACTED BY THE TOWN COUNCIL OF THE TOWN OF
GREENWOOD, FLORIDA, as follows:

ARTICLE I

GENERAL

1.01 Authority for this Ordinance. This Ordinance
is adopted pursuant to the provisions of Chapter 12779, Laws
of Florida, Special Acts of 1927, as amended, Chapter 159,
Florida Statutes, and other applicable provisions of law.

1.02 Findings. It is hereby found and determined
that:

(A) The Town of Greenwood (hereinafter sometimes
called the "Issuer"), does not presently own or operate a
water system for the benefit of its inhabitants, and it is
necessary for the continued preservation of health, welfare,
convenience and safety of the Issuer and its inhabitants to
construct municipal water facilities (hereinafter referred
to as the "system") in accordance with certain plans and
specifications now on file with the Town Clerk of the Issuer
(hereinafter sometimes called the "Clerk").

(B) The Issuer has been advised by its consulting
engineers that the cost of constructing the project in
accordance with said plans and specifications is estimated at
\$75,000, which shall be paid with the proceeds of the sale of
the bonds herein authorized and a federal grant in the amount
of \$25,000. Such cost shall be deemed to include all expenses
necessary, appurtenant or incidental thereto, including the
cost of any land or interest therein or of any fixtures or

equipment, or property necessary or convenient therefor, the cost of labor and materials to complete such construction, engineering and legal expenses, fiscal expenses, expenses for estimates of costs and revenues, expenses for plans, specifications and surveys, administrative expenses and all other necessary miscellaneous expenses.

(C) It is necessary to issue the bonds hereinafter authorized for the purpose of obtaining a loan from the United States of America in accordance with the applicable provisions of the Consolidated Farmers Home Administration Act of 1961, as amended, the Issuer being unable to obtain sufficient credit elsewhere to finance the system, taking into consideration prevailing private and cooperative rates and terms currently available.

(D) The revenues to be derived annually from the rates, fees and other charges made and collected for the services and facilities of the system are estimated to be \$ 6,578.00 and will be sufficient to pay the principal of and interest on the bonds herein authorized as the same become due and the annual cost of operating, repairing and maintaining the system, the aggregate annual amount of which is estimated to be \$ 6,310.00. It is estimated that the period of usefulness of the system will exceed forty-one years.

(E) It is deemed necessary and desirable to pledge the gross revenues of the system to the payment of the principal of and interest on the bonds herein authorized. No part of such revenues will be pledged or hypothecated except with respect to the bonds herein authorized.

(F) This Ordinance is declared to be and shall constitute a contract between the Issuer and the holders of all such bonds; and the covenants and agreements herein set forth to be performed by the Issuer are and shall be for the equal benefit, protection and security of the legal holders

of any and all such bonds issued under this Ordinance, all of which shall be of equal rank and without preference, priority or distinction of any of the bonds over any other, except as hereinafter provided.

(G) The Issuer is not, under this Ordinance, obligated to levy any taxes on any real or personal property to pay the principal of or interest on the bonds hereinafter authorized or to pay the cost of maintaining, repairing and operating the system. Such bonds issued pursuant to this Ordinance shall not constitute a lien upon the system or any other property of the Issuer or situated within its corporate limits.

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

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

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

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

(D) "Fiscal year" shall mean the period commencing on November 1st of each year and continuing to and including the succeeding October 31st.

1.04 Project Authorized. The Issuer is hereby authorized to construct the project as defined in Section 1.02 (A) above.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF REVENUE BONDS

2.01 Authorization of Revenue Bonds. Subject and pursuant to the provisions of this Ordinance, obligations of the Issuer to be known as "Town of Greenwood Water Revenue Bonds" (herein sometimes referred to as the "bonds") are hereby authorized to be issued in the aggregate principal amount of not exceeding Fifty Thousand Dollars (\$50,000) for the purpose of providing funds to pay the cost of such project provided for in Section 1.02 (A) hereof.

2.02 Description of Bonds. The bonds issued hereunder shall be dated as of the date of their delivery; shall be in the denomination of \$1,000.00 each; shall be numbered consecutively from 1 upward; shall bear interest at not exceeding the legal rate per annum, payable on January 1, 1971, and annually thereafter on January 1 of each year; and shall mature serially in numerical order on January 1 of each year in the years and amounts as follow:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
1972	\$ 1,000	1984	\$ 1,000	1997	\$ 1,000
1973	1,000	1985	1,000	1998	2,000
1974	1,000	1986	1,000	1999	2,000
1975	1,000	1987	1,000	2000	2,000
1976	1,000	1988	1,000	2001	2,000
1977	1,000	1989	1,000	2002	2,000
1978	1,000	1990	1,000	2003	2,000
1979	1,000	1991	1,000	2004	2,000
1980	1,000	1992	1,000	2005	2,000
1981	1,000	1993	1,000	2006	2,000
1982	1,000	1994	1,000	2007	2,000
1983	1,000	1995	1,000	2008	2,000
		1996	1,000	2009	2,000

.03 Places of Payment. Such bonds shall be registered as to both principal and interest; shall be payable as to both principal and interest at the Farmers Home Administration County Office in Marianna, Florida or at the option of the holders thereof at Citizens State Bank, Marianna, Florida, in lawful money of the United States of America; and shall bear interest from the date of issue.

2.04 Provisions for Redemption. The bonds shall, at the option of the Issuer, be redeemable in whole or in part, in inverse numerical and maturity order, on any interest payment date, at par and accrued interest. Provided, however, that written notice of such redemption shall be given to the paying agent named in the bonds and to each of the registered owners at their respective addresses as they appear upon the registration books of the Clerk at least thirty (30) days prior to the redemption date.

2.05 Execution of Bonds. The bonds shall be executed in the name of the Issuer by its Mayor, and the corporate seal of the Issuer shall be impressed thereon, attested and countersigned by the Clerk. In case any one or more of the officers who shall have signed or sealed any of the bonds shall cease to be such officer of the Issuer before the bonds so signed and sealed have been actually sold and delivered, such bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such

bonds had not ceased to hold such office. The validation certificate endorsed on the bonds shall be executed by the Mayor. Any bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such bond shall hold the proper office of the Issuer, although at the date of such bonds such person may not have held such office or may not have been so authorized.

2.06 Provisions for Registration. Any bond may be transferred only upon the books kept for the registration and transfer of bonds by the Clerk, as Bond Registrar, and endorsed upon the bond by the Bond Registrar in the space provided thereon, upon surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. The Bond Registrar shall not be required to make any such transfer of bonds during the fifteen (15) days next preceding an interest payment date on the bonds or, in the case of any proposed redemption of bonds, after such bonds have been selected for redemption. The person in whose name any bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any bond and the interest on any bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond including the interest thereon to the extent of the sum or sums so paid.

2.07 Bonds Mutilated, Destroyed, Stolen or Lost. In case any bonds shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new bond of like tenor as the bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated bond, upon surrender and cancellation of such mutilated bond, or in lieu of and substitution for the bond destroyed,

stolen or lost, and upon the owner furnishing the Issuer satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All bonds so surrendered shall be cancelled by the Clerk. If any such bonds shall have matured or be about to mature, instead of issuing a substitute bond the Issuer may pay the same, upon being indemnified as aforesaid, and if such bond be lost, stolen or destroyed, without surrender thereof.

Any such 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.

2.08 Form of Bonds. The text of the bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any subsequent ordinance adopted prior to the issuance thereof:

No. _____ \$1,000.00

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF JACKSON
TOWN OF GREENWOOD
WATER REVENUE BOND

KNOW ALL MEN BY THESE PRESENTS, that the Town of Greenwood, a public body created and existing under and by virtue of the laws of the State of Florida (hereinafter sometimes referred to as the "Issuer"), for value received, hereby promises to pay to the registered holder as herein provided, on the first day of January, 19__, from the special funds hereinafter mentioned, the principal sum of

ONE THOUSAND DOLLARS

and to pay interest thereon, solely from said special funds, at the rate of _____ per centum (_____) per annum, payable on January 1, 1971 and annually thereafter on the first day of January of each year. Both principal of and interest on this bond are payable at the Farmers Home Administration County Office in _____, Florida, or at the option of the owner hereof at _____, _____, Florida, in lawful money of the United States of America.

The bonds of this issue of which this bond is one are, at the option of the Issuer, redeemable in whole or in part, in inverse numerical and maturity order, on any interest payment date, at par and accrued interest, provided that notice of such redemption shall be given in the manner required by the Ordinance hereinafter described.

This bond is one of an authorized issue of bonds in the aggregate principal amount of \$50,000 of like date, tenor and effect, except as to number and date of maturity, issued to finance a part of the cost of acquiring, erecting and constructing a new municipal water system for the Issuer (hereinafter referred to as the "system"), under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Chapter 159, Florida Statutes, Chapter 12779, Laws of Florida, Special Acts of 1927, as amended, and an Ordinance duly enacted by the Issuer on _____, 19__ (hereinafter referred to as the "Ordinance"), and is subject to all the terms and conditions of such Ordinance.

This bond and the interest thereon are payable solely from and secured by a prior lien upon and a pledge of the gross revenues to be derived from the operation of the system in the manner described in the Ordinance. It is expressly agreed by the holder of this bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of and

interest on this bond and that such holder shall never have the right to require or compel the exercise of any taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the system. This bond and the obligation evidenced hereby shall not constitute a lien upon the system or any part thereof or upon any other property of the Issuer or situated within its corporate limits, but shall constitute a lien only on the gross revenues derived from the operation of the system.

In and by the Ordinance, the Issuer has covenanted and agreed with the holders of the bonds of this issue to fix, establish and maintain rates, fees or other charges for the services and facilities of the system, and to revise the same from time to time whenever necessary, which will always provide sufficient funds to pay, and out of such funds pay, the principal of and interest on the bonds as the same respectively mature, and necessary expenses of operating and maintaining the system and all reserve, sinking fund or other payments provided for in the Ordinance and that such rates, rentals, fees or other charges will not be reduced so as to be insufficient to provide funds for such purposes.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond, exist, have happened and have been performed, in regular and due form and time as required by the Laws and Constitution of the State of Florida applicable thereto, and that the issuance of this bond, and of the issue of bonds of which this bond is one, does not violate any constitutional, statutory or charter limitations or provisions.

This bond is given as evidence of a loan to the Issuer made by the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (hereinafter called the "Government"), pursuant to the Consolidated Farmers Home Administration Act of 1961, as amended, and

shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof. The Issuer hereby certifies that it is unable to obtain sufficient credit elsewhere to finance the system at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time; and if at any time it shall appear to the Government that the Issuer may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, the Issuer will, at the Government's request, apply for and accept such loan in sufficient amount to redeem the bonds of the issue of which this bond is one.

This bond shall be registered as to both principal and interest in accordance with the provisions endorsed hereon.

IN WITNESS WHEREOF, the Town of Greenwood, Florida, has issued this bond and has caused the same to be executed in its name and on its behalf by its Mayor and its corporate seal to be impressed hereon, attested and countersigned by its Clerk, all as of _____, 19__.

TOWN OF GREENWOOD, FLORIDA

By _____
Mayor

(SEAL)

ATTESTED AND COUNTERSIGNED:

Clerk

FORM OF VALIDATION CERTIFICATE

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

Mayor

PROVISIONS FOR REGISTRATION

This bond shall be registered as to both principal and interest on books kept by said Clerk, as Bond Registrar, upon presentation hereof to the Bond Registrar, who shall make notation of such registration in the registry blank below, and this bond may be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as is satisfactory to the Bond Registrar, and presentation hereof to the Bond Registrar, such transfer to be made on the books of the Bond Registrar and endorsed hereon by the Bond Registrar.

The principal of and interest on this bond as registered shall be payable only to or upon the order of the registered owner or his legal representative. It is further agreed that until transfer on the books of the Registrar, this bond shall be owned by and all principal and interest payable to the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, which, until transfer hereof, shall be entitled to receipt of the principal and interest payments pursuant to the terms of this bond.

<u>Date of</u> <u>Registration</u>	<u>Name and Address of</u> <u>Registered Owner</u>	<u>Signature of</u> <u>Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

ARTICLE III

COVENANTS, SPECIAL FUNDS
AND APPLICATION THEREOF

3.01 Bond Not Be Indebtedness of the Issuer. The bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of said gross revenues

as herein provided. No owner of any bond issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power, or taxation in any form, to pay such bond or the interest thereon or the cost of operating and maintaining the system, or be entitled to payment of the principal of or interest on such bond from any funds of the Issuer except from the gross revenues derived from the operation of the system in the manner provided herein.

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

3.03 Construction Account and Application of Bond Proceeds. The Issuer hereby covenants that it will establish with the _____ Bank, _____, Florida, as a "supervised bank account" as required by the Government, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited the proceeds from the sale of the bonds hereby authorized, said Government grant funds and the additional funds, if any, required in order to assure the payment of all costs of the completion of the project. Withdrawals from the Construction Account shall be made only on checks signed by the Clerk and Countersigned by the County Supervisor of the Farmers Home Administration and only for such purposes as shall have been previously specified

in the project cost estimates approved by the Farmers Home Administration.

The Issuer's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties and all proceeds of insurance compensating for damages to the project, shall be deposited in the Construction Account to assure completion of the system.

Moneys in the Construction Account shall be secured by the depository bank in accordance with U. S. Treasury Department's Circular 176 and in the manner prescribed by the Laws of the State of Florida relating to the securing of public funds. When the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the project for the next 90 days, the Issuer may direct the depository bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by the United States of America, which shall be subject to redemption at any time at face value by the holder thereof. The earnings from any such investment shall be deposited in the Construction Account.

When the Construction of the project has been completed and all construction costs have been paid in full, any funds, except grant funds, remaining in the Construction Account shall be deposited in the Sinking Fund hereinafter established. Any grant funds remaining shall be disposed of in accordance with the Grant Agreement entered into between the Issuer and the Government, and the Construction Account shall be closed.

All moneys deposited in said Construction Account shall be and constitute a trust fund created for the purposes stated and there is hereby created a lien upon such fund in favor of the holders of the bonds until the moneys thereof shall have been applied in accordance with this Ordinance.

3.04 Covenants of the Issuer. So long as any of the principal of or interest on any of the bonds shall be

outstanding and unpaid, or until there shall have been set apart in the Sinking Fund herein established, including the Reserve Account therein, a sum sufficient to pay, when due, the entire principal of the bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer covenants with the holders of any and all of the bonds issued pursuant to this Ordinance as follows:

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

(B) Revenue Fund. The Issuer covenants and agrees that as soon as the system shall become revenue-producing, it will establish with a depository in the State of Florida, which is a member of the Federal Deposit Insurance Corporation and which is eligible under the Laws of the State of Florida to receive municipal funds, and maintain so long as any of the bonds are outstanding, a special fund to be known as the

"Town of Greenwood Water System Revenue Fund", hereinafter called the "Revenue Fund". Into such Revenue Fund the Issuer shall deposit promptly as received all cash income derived from the ownership and operation of the system. The Revenue Fund shall be held by the Issuer separate and apart from all other funds and shall be expended and used only in the manner and order specified in paragraphs (C), (D) and (E) of this Section.

(C) Bond and Interest Sinking Fund. The Issuer covenants and agrees to establish with a depository in the State of Florida, which is a member of the Federal Deposit Insurance Corporation, and which is eligible under the Laws of the State of Florida to receive municipal funds, a special fund or funds, collectively called the "Greenwood Water System Bond and Interest Sinking Fund", hereinafter called the "Sinking Fund", to be used exclusively for the purposes hereinafter mentioned. As soon as the project is completed and the system becomes revenue-producing, the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of the Sinking Fund the following amounts:

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

(2) Beginning on January 15, 1971, a sum equal to $1/12$ of the principal of the bonds maturing on the next succeeding anniversary date, together with the amount of any deficiency in prior deposits for principal.

(3) After fulfillment of the requirements of paragraphs (C) (1) and (2), the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of a special account in the Sinking Fund, herein called the "Reserve Account", the sum of Eighty Dollars (\$80.00) until such time as the funds and investments therein shall equal Three Thousand Eight Hundred Dollars (\$3,800.00), and monthly thereafter such amount as may be necessary to maintain in the Reserve Account the sum of Three Thousand Eight Hundred Dollars

(\$3,800.00) but not exceeding Eighty Dollars (\$80.00) monthly. Moneys in the Reserve Account shall be used only for (1) paying the cost of repairing or replacing any damage to the system which shall be caused by an unforeseen catastrophe (2) constructing improvements or extensions to the System which shall be approved by the Farmers Home Administration, if the Government shall then be the holder of any of the bonds, or approved by said consulting engineers if the Government shall not then be the holder of any of the bonds, and (3) paying the principal of and interest on the bonds in the event that the moneys in the Sinking Fund shall ever be insufficient to meet such payments.

(D) Operation and Maintenance Fund. The Issuer covenants and agrees to establish with a depository in the State of Florida, which is a member of the Federal depository Insurance Corporation, and which is eligible under the Laws of the State of Florida to receive municipal funds, a special fund to be known as the "Town of Greenwood Water System Operation and Maintenance Fund", hereinafter called the "Operation and Maintenance Fund", which shall be used exclusively for the purpose of receiving funds to be transferred monthly by the Issuer from the Revenue Fund, and for paying, as they accrue, the Current Expenses of the system pursuant to the Annual Budget. As soon as the project is completed and the system becomes revenue-producing, and after having made the deposits to the Sinking Fund as provided in paragraph (C) above, the Issuer shall transfer on or before the fifteenth day of each month from the Revenue Fund and deposit to the credit of the Operation and Maintenance Fund a sum sufficient to pay the Current Expenses of the system for the current month, all in accordance with the Annual Budget. Any balance remaining in the Operation and Maintenance Fund at the end of the fiscal year not required to pay costs incurred during said fiscal year, shall be deposited promptly into the Revenue Fund.

(E) Transfer of Excess Funds. Subject to the provisions for the disposition of revenues in paragraphs (C) and

(D), which are cumulative, the Issuer shall transfer on or before the 15th day of each month the balance of excess funds in the Revenue Fund to the Reserve Account in the Sinking Fund for prompt use in redeeming bonds in inverse numerical and maturity order or acquiring outstanding bonds for retirement at not to exceed the price of par and accrued interest, to the extent funds and investments therein exceed the amount of Three Thousand Eight Hundred Dollars (\$3,800.00).

(F) Trust Funds. The funds and accounts created and established by this Ordinance shall constitute trust funds for the purposes provided herein for such funds. All of such funds, except as hereinafter provided, shall be continuously secured in the same manner as municipal deposits of funds are required to be secured by the Laws of the State of Florida. Moneys on deposit to the credit of such funds and accounts shall be invested by the depository bank, upon request by the Issuer, in direct obligations of, or obligations the principal of and interest on which are guaranteed by the United States of America and which shall be subject to redemption at face value at any time by the holder thereof at the option of such holder. The securities so purchased as an investment of funds shall be deemed at all times to be a part of the account from which the said investment was withdrawn, and the interest accruing thereon and any profit realized therefrom shall be credited to such account and any loss resulting from such investment shall likewise be charged to said account.

(G) Rates and Charges. The Issuer covenants and agrees to maintain and collect, so long as any of the bonds are outstanding, such schedule of rates and charges for the use of the services and facilities of the system as will always produce revenues which shall be sufficient to provide for current debt service on the bonds and the debt service reserve and pay the reasonable expenses of operation and maintenance of the system; and the Issuer covenants and agrees that so long as any of the bonds are outstanding and unpaid, at the same time and in like

manner that the Issuer prepares its Annual Budget of Current Expenses, the Issuer shall annually prepare an estimate of gross revenues to be derived from the operation of the system for the ensuing fiscal year, and to the extent that said gross revenues are insufficient to pay debt service requirements on all outstanding bonds during such ensuing year, build up and maintain the required reserve enumerated in paragraph (C) and pay Current Expenses, the Issuer shall revise the fees and rates charged for the use of the services and facilities of the system sufficiently to provide the funds required.

(H) Issuance of other Obligations.

(1) The Issuer covenants and agrees that it will not issue any other obligations payable from or secured by the revenues of the system or any other security pledged to secure payment of the bonds herein authorized, except after meeting the conditions hereinafter set forth, unless the lien of such obligations is junior and subordinate in all respects to the lien of these bonds.

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

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

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

bonds shall not have been outstanding for 24 months then for the period that the bonds shall have been outstanding.

(c) The annual net revenues for the fiscal year next preceding the issuance of additional parity bonds are certified by an independent public accountant employed by the Issuer, to have been equal to at least one and fifty-hundredths (1.50) times the average annual requirements for principal and interest on all the bonds then outstanding and payable from such pledged revenues.

(d) The estimated average annual net revenues of the facility or facilities to be constructed and acquired with the proceeds of such additional bonds (and any other funds pledged as security), when added to the estimated future average annual net revenues of the then existing system shall be at least one and fifty-hundredths (1.50) times the average annual debt service requirements for principal and interest on all outstanding bonds payable from the revenues of the system and on the additional bonds proposed to be issued. Estimates of future revenues and operating expenses shall be furnished by recognized independent consulting engineers and approved by the Council of the Issuer and by the Mayor thereof, and shall be forecast over a period of not exceeding ten years from the date of the additional bonds proposed to be issued.

(e) The Issuer shall have obtained the prior written consent of the State Director of the Farmers Home Administration for the State of Florida, if the Government shall then be the owner of any of the bonds; and if the Government shall be the owner of all the bonds and shall be the purchaser or the insurer of the proposed additional parity bonds, then the future annual net revenues of the system need not equal one and fifty-hundredths (1.50) times the average annual debt service requirements for the outstanding bonds and additional bonds proposed to be issued.

(3) The Issuer hereby covenants and agrees that in the event additional series of parity bonds are issued, it will

adjust the required deposits into, and the maximum amount to be maintained in, the Sinking Fund, including the Reserve Account therein, on the same basis as hereinabove prescribed, to reflect the average annual debt service on the additional bonds and will make such additional bonds payable as to principal on January 1 of each year in which principal falls due and payable as to interest on January 1 of each year. If in any subsequently issued series of bonds secured by a parity lien on the revenues of the system it is provided that excess revenues shall be used to redeem bonds in advance of scheduled maturity, or if the Issuer at its option undertakes to redeem outstanding bonds in advance of scheduled maturity, the Issuer covenants that calls of bonds will be applied to each series of bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of bonds outstanding at the time of such call) to the extent that this may be accomplished in accordance with the call provisions of the respective bond series. However, the Issuer shall have the right to call, subject to the call provisions of the respective bond series, any or all outstanding bonds which may be called at par prior to calling any bonds that are callable at a premium.

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

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

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

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

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

(e) It has obtained the prior written consent of the Farmers Home Administration, if the Government holds any of the bonds.

(J) Insurance on System. While any of the bonds shall be held by the Government, the Issuer will maintain such insurance coverage as may be required by the Farmers Home Administration. If the Government does not hold all of the bonds, then the Issuer shall carry at least the following coverage:

(1) The Issuer shall procure fire and extended coverage insurance on the insurable portions of the system. The foregoing fire and extended coverage insurance shall be maintained so long as any of the bonds are outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty per centum (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any facility or facilities of the system, the Issuer shall deposit the insurance proceeds in the Reserve Account and promptly

arrange for the application thereof to the repair or reconstruction of the damaged or destroyed portion thereof.

(2) The Issuer shall procure and maintain, so long as any of the bonds are outstanding, public liability insurance relating to the operation of the system with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the Issuer from claims for bodily injury and or death; and not less than \$10,000 from claims for damage to property of others which may arise from the Issuer's operation of the system.

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

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

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

(L) No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by its system, nor will any preferential rates be established for users of the same class; and if the Issuer shall avail itself of the facilities or services provided by the system, or any part thereof, then the same rates, fees or charges applicable to other customers receiving like service under similar circumstances shall be charged to the Issuer. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges. The revenues so received shall be deemed to be revenues derived from the operation of the system, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the system.

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

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

(O) Sufficiency of Rates. The Issuer covenants and agrees to establish, to revise from time to time and to maintain always such rates and charges which will always produce cash

revenues sufficient to pay annual debt service and the cost of operation and maintenance of the system and build up and maintain the reserves required by this Ordinance.

(P) Compliance with Laws and Regulations. The Issuer covenants and agrees to perform and comply with, in every respect the loan and grant agreements with the Government and applicable State Laws and regulations and to continually operate and maintain the system in good condition.

(Q) Remedies. Any holder of the bonds or any coupons appertaining thereto issued under the provisions of this Ordinance, or any trustee acting for the holders of such bonds, may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the Laws of the State of Florida, or granted and contained in this Ordinance, and may enforce and compel the performance of all duties required by this Ordinance and by the loan and grant agreements with the Government, if the Government shall be the owner of any of the bonds, or by any applicable State or Federal statutes to be performed by the Issuer or by any officer thereof.

Nothing herein, however, shall be construed to grant to any holder of such bonds any lien on any real property of the Issuer.

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

So long as the Government holds any of the Bonds, the Issuer will furnish to the Government periodic operating statements for the project and any facilities the revenues of

which are pledged to payment of the Bonds, in such form and substance and for such periods as may be required by the Government. The Issuer further covenants that on or before ninety (90) days after the close of each fiscal year, the Issuer will furnish to any bondholder who shall request the same in writing, and to the Government so long as it holds any of the Bonds, copies of an annual audit report prepared by an independent public accountant or an auditing official of the State of Florida, covering the operations of the preceding fiscal year. Said annual audit report will reflect in reasonable detail the financial condition and record of operation of the Issuer, the project and other pledged facilities, including but not limited to the following information:

1. Comment regarding the manner in which the Issuer has complied with the covenants of this Ordinance and the loan and grant agreements with the Government.
 2. Statement of operating income and expense.
 3. Statements showing analysis of each fund, including deposits, withdrawals and beginning and ending balances.
 4. General balance sheet.
 5. A statement showing the schedule of rates charged for each class of service as of the close of the fiscal year, the gross revenues received and the number of connections.
 6. Schedule of insurance policies and fidelity bonds in force, showing with respect to each policy and bond the nature and amount of risk covered, the expiration date and the name of the insurer.
 7. The names of the persons serving as the Issuer's Mayor, Clerk and Councilmen.
 8. A general comment concerning any events or circumstances which may have any substantial effect upon the financial status of the system or the security for the bonds.
- (S) Connection with System. The Issuer will, to the full extent permitted by law, require all lands, buildings,

residences and structures within the Issuer's corporate limits which can use the facilities and services of the system to connect therewith and use the facilities and services thereof, and to cease the use of all other facilities. The Issuer will not grant a franchise for the operation of any facilities competing with those of the system until all bonds issued hereunder, together with interest thereon, shall have been paid in full.

(T) Fidelity Bond. The Issuer will require each employee who may have possession of money derived from the operation of the system to be covered by a fidelity bond written by a responsible indemnity company in an amount fully adequate to protect the Issuer from loss.

(U) Government Approval of Extensions and Financing. Anything herein to the contrary notwithstanding, the Issuer will not borrow any money from any source or enter into any contract or agreement or incur any other liability in connection with making extensions or improvements other than normal maintenance of the system, or make any extensions or enlargements of the system, or permit others to do so, without obtaining the prior written consent of the Farmers Home Administration, so long as the Government is the holder of any of the bonds.

(V) Reimbursement of Advances and Interest Thereon. While the Government shall be the holder of any of the bonds, the Government shall have the right to make advances for the payment of insurance premiums and/or other advances which, in the opinion of the Government, may be required to protect the Government's security interest. In the event of any such advances, the Issuer covenants and agrees to repay the same, together with interest thereon at the same rate per annum as specified in the bonds, upon demand immediately after any such expenditure by the Government. Any such amounts due the Government shall take priority over any other payments from the Reserve Account while the Government is holder of all the outstanding bonds.

(W) Refinancing. The Issuer covenants and agrees that if the Issuer is at any time able to refund the bonds, in whole or in part, by obtaining a loan for such purpose from responsible cooperative or private credit sources, at reasonable rates and terms for loans for such purposes and periods of time, the Issuer will, upon the request of the Government, apply for and accept such loan in sufficient amount to repay the Government and will take all such action as may be required in connection with such loan.

(X) Nondiscrimination. The Mayor and the Clerk of the Issuer are hereby authorized and directed to execute for and on behalf of the Issuer Form FHA 400-4, "Nondiscrimination Agreement", and Form FHA 400-1, "Equal Opportunity Agreement", to which is attached and made a part thereof an "Equal Opportunity Clause" designated as Form FHA 400-2, to be incorporated in or attached as a rider to each construction contract involving \$10,000 or more; and the Issuer covenants and agrees to require the full performance of such agreements.

ARTICLE IV

MISCELLANEOUS PROVISIONS

4.01 Modification or Amendment. No material modification or amendment of this Ordinance or of any ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the Issuer to charge and collect such rates, fees and charges for the use of the services and facilities of the system, or reduce such percentage of holders of such bonds, required above, for such modifications or amendments, without the consent of the holders of all such bonds.

4.02 Creation of Superior Liens. The Issuer covenants that it will not issue any other bonds, certificates or obligations

of any kind or nature or create or cause or perm it to be created any debt, lien, pledge, assignment or encumbrance or charge payable from or enjoying a lien upon the revenues of the system ranking prior and superior to the lien created by this ordinance for the benefit of the bonds herein authorized.

4.03 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, of this Ordinance or of the bonds issued hereunder.

4.04 Validation Authorized. The Issuer's Attorney is hereby authorized and directed to institute appropriate proceedings in the Circuit Court for the validation of said bonds pursuant to provisions of Chapter 75, Florida Statutes, and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer any pleadings in such proceedings.

4.05 Sale of Bonds. Upon validation as herein provided, the proper officers of the Issuer are hereby authorized to conclude the sale and delivery of the bonds to the Government.

4.06 Conflicts Repealed. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

4.07 Effective Date. This Ordinance shall become effective immediately upon its passage by the Town Council of the Town of Greenwood, Florida, and its approval by the Mayor, or upon its becoming a law without such approval, and shall be published by posting in three public places in the Town of Greenwood, Florida, one of which shall be at the office of the Town Clerk.

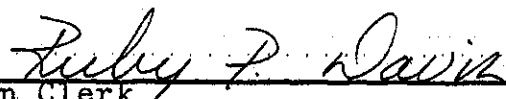
PRESENTED To the Town Council of the Town of Greenwood,
Florida, and read in full on this the 18th day of February, 1969.

PASSED by the Town Council of the Town of Greenwood,
Florida, on this the 19th day of February, 1969.



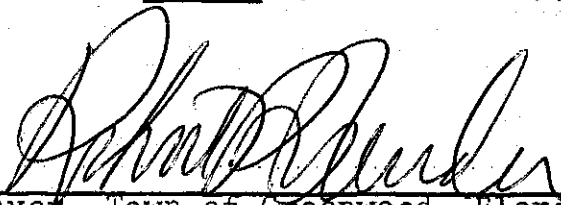
President of Town Council

ATTEST:



Town Clerk

Approved this 19th day of February, 1969.



Mayor, Town of Greenwood, Florida