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**CITY OF CHIPLEY, FLORIDA**

**PUBLIC IMPROVEMENT REVENUE BOND RESOLUTION**

**ADOPTED MAY 14, 2024**

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**RESOLUTION NO. 24-24**

**A RESOLUTION AUTHORIZING THE ISSUANCE BY THE CITY OF CHIPLEY, FLORIDA OF \$238,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS PUBLIC IMPROVEMENT REVENUE BOND, SERIES 2024 TO FINANCE THE COST OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A FIRE TRUCK; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS OF THE HOLDER OF SUCH BOND; PROVIDING OTHER MATTERS; AND PROVIDING AN EFFECTIVE DATE.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHIPLEY, FLORIDA:**

**ARTICLE I**

**GENERAL**

**SECTION 1.01. DEFINITIONS.** When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"**Act**" shall mean Chapter 166, Part II, Florida Statutes, and other applicable provisions of law.

"**Annual Debt Service**" shall mean, at any time, the aggregate amount in the then current Bond Year of interest required to be paid during such Bond Year and the amount of principal of the Bond maturing in such Bond Year.

"**Acquisition Fund**" shall mean the fund established pursuant to Section 4.03 hereof.

"**Authorized Investments**" shall mean any of the following, if and to the extent that the same are at the time legal for investment of funds of the Issuer:

(1) Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form by the Department of the Treasury of the United States.

(2) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, the principal of and interest on which are unconditionally guaranteed, by any agency or instrumentality of or corporation wholly owned by the United States of America, which evidence of indebtedness involves a pledge of the full faith and credit of the United States of America.

(3) Bank time deposits evidenced by certificates of deposit, and bankers' acceptances, issued by any bank, savings and loan association, trust company or national banking association, which are (a) fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or (b) secured by obligations described in paragraphs (1) or (2) of this definition.

(4) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, or any similar common trust fund which is established pursuant to law as a legal depository of public moneys and for which the State Board of Administration acts as custodian.

**"Authorized Issuer Officer"** shall mean any person authorized by resolution of the Issuer to perform such act or sign such document.

**"Bond Counsel"** shall mean any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

**"Bond Year"** shall mean the period commencing on the day following the anniversary date of the issuance of the Bond each year and continuing through the next succeeding anniversary date of the issuance of the Bond.

**"Bondholder"** or **"Holder"** or **"holder"** or any similar term, when used with reference to shall mean any person who shall be the registered owner of the Bond in the registration books of the Issuer.

**"Bond" or "Bonds"** shall mean the Bond authorized hereunder.

**"Clerk"** shall mean the Clerk of the Issuer, or such other person as may be duly authorized to act on his or her behalf.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

**"Federal Securities"** shall mean direct obligations of the United States of America and obligations the principal of and interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor. Federal Securities shall include any certificates or any other evidences of an ownership interest in the aforementioned obligations or in specified portions thereof (which may consist of specified portions of the interest thereon).

**"Fiscal Year"** shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

**"Government"** shall mean the United States of America, acting through the United States Department of Agriculture, Rural Housing Services.

**"Interest Account"** shall mean the separate account in the Sinking Fund established pursuant to Section 4.03 hereof.

**"Interest Date"** shall be each anniversary date of the issuance of the Bond, commencing in the year 2025.

**"Issuer"** shall mean the City of Chipley, Florida.

**"Maximum Annual Debt Service"** shall mean the largest aggregate amount in any Bond Year in which the Bond is Outstanding, excluding all Bond Years which shall have ended prior to the Bond Year in which the Maximum Annual Debt Service shall at any time be computed, of the Annual Debt Service.

**"Mayor"** shall mean the Mayor of the Issuer, and such other person as may be duly authorized to act on his or her behalf.

**"Non-Ad Valorem Revenues"** means all revenues of the Issuer derived from any source whatsoever other than ad valorem taxation and legally available to pay principal of and interest on the Bond.

**"Person"** shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

**"Pledged Funds"** means, until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the Sinking Fund established hereunder. Pledged Funds shall include all amounts transferred to the Sinking Fund as a result of the Issuer's covenant to budget and appropriate Non-Ad Valorem Revenues contained herein.

**"Principal Account"** shall mean the separate account in the Sinking Fund established pursuant to Section 4.03 hereof.

**"Project"** shall mean the acquisition of a fire truck by the Issuer.

**"Redemption Price"** shall mean, with respect to the Bond or any portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

**"Reserve Account"** shall mean the separate account in the Sinking Fund established pursuant to Section 4.03 hereof.

**"Reserve Account Requirement"** shall mean the lesser of (a) \$17,129, or (b) as of any date of calculation, the lesser of (1) Maximum Annual Debt Service for the Bond, (2) 125% of the average annual debt service for the Bond, (3) 10% of the proceeds of the Bond.

**"Resolution"** shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

**"Sinking Fund"** shall mean the fund established pursuant to Section 4.03 hereof.

**"State"** shall mean the State of Florida.

**"Supplemental Resolution"** shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01 and 7.02.

**"Surplus Account"** shall mean the separate account in the Sinking Fund established pursuant to Section 4.03 hereof.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

**SECTION 1.02. AUTHORITY FOR RESOLUTION.** This Resolution is adopted pursuant to the provisions of the Act.

**SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT.** In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bond, and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bond. The pledge made in the Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of the Bond.

**SECTION 1.04. FINDINGS.** It is hereby ascertained, determined and declared:

(A) That the Issuer deems it necessary, desirable and in the best interests of the Issuer that the Project be acquired.

(B) That the Project shall be financed by the proceeds of the Bond issued pursuant to this Resolution.

(C) That the estimated Pledged Funds will be sufficient to pay the principal of and interest on the Bond to be issued pursuant to this Resolution, as the same become due, and all other payments provided for in this Resolution.

(D) That the principal of and interest on the Bond to be issued pursuant to this Resolution, and all other payments provided for in this Resolution will be paid solely from the Pledged Funds; and neither the ad valorem taxing power nor any other funds of the Issuer will ever

be necessary or authorized to pay the principal of and interest on the Bond to be issued pursuant to this Resolution and, except as otherwise provided herein, the Bond shall not constitute a lien upon any property of the Issuer.

**SECTION 1.05. AUTHORIZATION OF PROJECT.** The Issuer does hereby authorize the acquisition of the Project.

## **ARTICLE II**

### **AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS**

**SECTION 2.01. AUTHORIZATION OF BOND.** This Resolution creates a Bond of the Issuer to be designated as "City of Chipley, Florida, Public Improvement Revenue Bond".

**SECTION 2.02. AUTHORIZATION AND DESCRIPTION OF BOND.** The Bond entitled to the benefit, protection and security of this Resolution is hereby authorized in the aggregate principal amount of \$238,000 for the purposes of financing the Cost of the Project.

The Bond shall be dated as of the date of delivery thereof, shall be issued as one fully registered Bond in the denomination issued on such date shall be numbered R-1, shall bear interest from its date of delivery and shall be payable as to both principal and interest to the registered owner by an electronic pre-authorized debit, in lawful money of the United States of America, unless otherwise agreed to by the Issuer and the registered owner. The Bond shall bear interest, mature and be subject to redemption as set forth in the form of the Bond provided in Section 2.07 hereof.

The principal of or Redemption Price, if applicable, on the Bond and interest payable on the Bond on any Interest Date will be paid by check of the Issuer to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date. All payments of principal of or Redemption Price, if applicable, and interest on the Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

**SECTION 2.03. APPLICATION OF BOND PROCEEDS.** Except as otherwise provided herein or by Supplemental Resolution of the Issuer, the proceeds derived from the sale of the Bond shall, simultaneously with the delivery of the Bond to the purchaser or purchasers thereof, be applied by the Issuer to acquire the project.

**SECTION 2.04. EXECUTION OF BOND.** The Bond shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed the Bond or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bond so signed and sealed have been actually sold and delivered such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office. 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 Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bond shall be actually sold and delivered.

**SECTION 2.05. BOND MUTILATED, DESTROYED, STOLEN OR LOST.** In case the Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, deliver, and authenticate 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 Holder furnishing the Issuer proof of his ownership thereof and 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. Any Bond so surrendered shall be cancelled by the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this Section 2.05 shall constitute an original, additional contractual obligation on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone.

**SECTION 2.06. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER.** The Bond, upon surrender thereof to the Issuer with a written instrument of transfer satisfactory to the Issuer, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for a new registered Bond of the same maturity and principal amount.

The Bond issued under this Resolution shall be and have all the qualities and incidents of a negotiable instrument under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in this Resolution and in the Bond. So long the Bond shall remain outstanding, the Issuer shall maintain and keep books for the registration and transfer of the Bond.

The Bond shall be transferable only upon the books of the Issuer, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Issuer duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond of the same aggregate principal amount and maturity as the surrendered Bond. The Issuer may deem and treat the Person in whose name an outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and

neither the Issuer nor any other fiduciary of the Issuer shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bond or transferring the Bond is exercised, the Issuer shall execute, deliver and authenticate the Bond in accordance with the provisions of this Resolution. Execution of Bond by the Mayor and Clerk for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Bond. For every such exchange or transfer, the Issuer may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer shall not be obligated to make any such exchange or transfer of the Bond during the fifteen (15) days next preceding an Interest Date on the Bond.

**SECTION 2.07. FORM OF BOND.** The text of the Bond shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bond and the Issuer's delivery of the Bond to the purchaser thereof):

**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
CITY OF CHIPLEY, FLORIDA  
PUBLIC IMPROVEMENT REVENUE BOND,  
SERIES 2024**

**KNOW ALL MEN BY THESE PRESENTS** that the City of Chipley, Florida (the "Issuer"), for value received, hereby promises to pay, in the manner provided herein, to the United States Department of Agriculture, Rural Housing Services, as registered owner, or registered assigns, the principal sum of

**TWO HUNDRED THIRTY-EIGHT THOUSAND DOLLARS**

solely from the Pledged Funds (hereinafter defined) and to pay interest on the unpaid balance thereof from the date hereof by electronic pre-authorized debit, unless otherwise agreed to by the Issuer and the registered owner, to the registered owner hereof as of fifteen (15) days prior to the interest payment date. Interest shall be payable on the \_\_\_\_ day of \_\_\_\_\_ in each year, commencing on \_\_\_\_\_, 2025, at an annual rate equal to \_\_\_\_% computed based on a 365-day year.

All payments on this Bond shall be applied first to payment of interest and thereafter to reduction of the principal amount outstanding. The principal hereof shall be payable annually on each \_\_\_\_\_, commencing \_\_\_\_\_, 2025, in the following amounts on the following dates:

\_\_\_\_\_  
Payment Dates                      Principal Amounts

with the balance of all principal plus interest accrued to the due date due \_\_\_\_\_, 20\_\_.

This Bond is issued to finance the acquisition and equipping of a fire truck, in and for the Issuer, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 166, Part II, Florida Statutes, and other applicable provisions of law (the "Act"), and a resolution duly adopted by the City Council of the Issuer on May 14, 2024, as amended and supplemented (the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Issuer duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Issuer may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer shall not be obligated to make any exchange or transfer of the Bond during the fifteen (15) days next preceding an interest payment date or, in the case of any proposed redemption of the Bond, then, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption.

The Bond is subject to redemption prior to maturity, in whole or in part, at the option of the Issuer, in inverse order of maturity, at any time, upon payment of a Redemption Price equal to the remaining principal amount thereof, plus accrued interest to the date of redemption.

The Bond is subject to mandatory redemption, in part, on any date in inverse order of maturity, at a Redemption Price equal to the principal amount thereof plus interest accrued to the redemption date, to the extent excess Bond proceeds remain after the acquisition of the Project.

Redemption of this Bond under the preceding paragraphs shall be made as provided in the Resolution upon notice given by first class mail sent at least thirty (30) days prior to the redemption date to the Registered Holder hereof at the address shown on the registration books maintained by the Issuer; provided, however, that failure to mail notice to the Registered Holder hereof, or any defect therein, shall not affect the validity of the proceedings for redemption of this Bond. In the event that less than the full principal amount hereof shall have been called for redemption, the Registered Holder hereof shall surrender this Bond in exchange for a Bond in an aggregate principal amount equal to the unredeemed portion of principal, as provided in the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Issuer.

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 Bond does not violate any constitutional or statutory limitations or provisions.

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

**IN WITNESS WHEREOF**, the City of Chipley, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Mayor and by the manual or facsimile signature of its Clerk and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the \_\_\_ day of \_\_\_\_\_, 2024.

**CITY OF CHIPLEY, FLORIDA**

(SEAL)

---

Mayor

---

Clerk

**ASSIGNMENT**

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

---

Insert Social Security or Other Identifying Number of Assignee

---

(Name and Address of Assignee)

---

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, as attorney to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

---

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

---

**NOTICE:** The signature to this assignment must correspond with the name of the Registered Holder 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 other identifying number of such assignee must be supplied.



## ARTICLE III

### REDEMPTION OF THE BOND

**SECTION 3.01. PRIVILEGE OF REDEMPTION.** The terms of this Article III shall apply to redemption of the Bond under this Resolution. The Bond is subject to redemption prior to maturity, in whole or in part, at the option of the Issuer, in inverse order of maturity, at any time, upon payment of a Redemption Price equal to the remaining principal amount thereof, plus accrued interest to the date of redemption.

The Bond is subject to mandatory redemption, in part, on any date in inverse order of maturity, at a Redemption Price equal to the principal amount thereof plus interest accrued to the redemption date, to the extent excess Bond proceeds remain after the acquisition of the Project.

**SECTION 3.02. NOTICE OF REDEMPTION.** Notice of such redemption, which shall specify the Bond (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Issuer, and shall be mailed first class, postage prepaid, at least thirty (30) days prior to the redemption date to any Holder of the Bond at its address as it appears on the registration books kept by the Issuer. Such notice shall further state that on such redemption date there shall become due and payable upon the Bond the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of a redemption in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Failure to mail notice to the Holder of the Bond, or any defect therein, shall not affect the proceedings of redemption of such Bond.

**SECTION 3.03. REDEMPTION OF PORTIONS OF BOND.** If the Bond is to be redeemed only in part, it shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Issuer duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and deliver to the Holder of such Bond, without service charge, a new Bond as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

**SECTION 3.04. PAYMENT OF REDEEMED BOND.** Notice of redemption having been given substantially as aforesaid, the Bond or portions of Bond so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bond or portions of Bond shall cease to bear interest. Upon surrender of such Bond for redemption in accordance with said notice, such Bond shall be paid by the Issuer at the appropriate Redemption Price, plus accrued interest, if any. Any Bond which has been redeemed shall be cancelled and destroyed by the Issuer and shall not be reissued.

## ARTICLE IV

### SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

**SECTION 4.01. BOND NOT TO BE INDEBTEDNESS OF ISSUER.** The Bond shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of any constitutional or statutory provision, but shall be a special obligation of the Issuer, payable solely from and secured by a first lien upon and pledge of the Pledged Funds in accordance with the terms of this Resolution. No Holder of the Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Issuer except from the Pledged Funds in the manner provided herein.

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

**SECTION 4.02. SECURITY FOR BOND.** The payment of the principal of or Redemption Price, if applicable, and interest on the Bond shall be secured forthwith equally and ratably by a pledge of and first lien upon the Pledged Funds. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bond in accordance with the provisions hereof. Until the Bond is paid or deemed paid pursuant to the provisions of this Resolution, the Issuer hereby covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to pay the principal and interest on the Bond, and all other amounts owing hereunder, until the maturity thereof. Such covenant and agreement on the part of the Issuer to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Issuer, the Issuer does not covenant to maintain any services or programs, now provided or maintained by the Issuer, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the registered owner of the Bond a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of principal and interest on the Bond, in the manner described herein, Non-Ad Valorem Revenues and placing on the Issuer a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer or which are legally mandated by applicable law.

The Issuer agrees that its covenant and agreement to budget and appropriate Non-Ad Valorem Revenues shall be deemed entered into for the benefit of the holder of the Bond, and this obligation may be enforced by a court of competent jurisdiction.

**SECTION 4.03. SINKING FUND.** The Issuer hereby creates and establishes a special separate fund to be called the "City of Chipley, Florida Public Improvement Revenue Bond, Series 2024 Sinking Fund" (hereinafter called the "Sinking Fund").

On or before the business day prior to each date fixed for the payment of principal or interest on the Bond, the Issuer shall deposit from Non-Ad Valorem Revenues budgeted and appropriated pursuant to the covenant contained herein to the Sinking Fund the amounts sufficient to pay the interest and principal becoming due on the Bond on the next payment date therefor.

The amounts remaining on deposit in the Sinking Fund on the day following the respective interest or principal payment may be withdrawn by the Issuer and applied for other Issuer purposes. In no event shall any moneys remain on deposit in the Sinking Fund for a period greater than 13 months.

Amounts on deposit in the Sinking Fund may be invested and reinvested by the Issuer in Authorized Investments maturing or redeemable at the option of the Issuer not later than the date such amounts are needed for the payments required hereunder.

Except to the extent otherwise required by any provision hereof or of any tax compliance certificate delivered in connection with the delivery of the Bond, all income from the investment of moneys in the fund and accounts established by this Resolution shall, upon receipt thereof, be deposited to the credit of the Sinking Fund and used for the purposes thereof.

The Issuer shall not be required to make any further payments into the Sinking Fund when the aggregate amount of money and Authorized Investments in said Fund is at least equal to the total principal of and interest on the Bond then outstanding.

**SECTION 4.04. RESERVE ACCOUNT.** The Issuer hereby creates a separate account to be known as the "City of Chipley, Florida Public Improvement Revenue Bond Reserve Account". The Issuer agrees to deposit from Non-Ad Valorem Revenues budgeted and appropriated pursuant to Section 4.02 hereof into the Reserve Account a sum sufficient to maintain therein an amount equal to the Reserve Account Requirement; provided, however, that in the event proceeds of the Bond in an amount equal to the Reserve Account Requirement are not deposited therein, an annual amount equal to one-one hundred twentieth (1/120th) of the Reserve Account Requirement shall be deposited until the Reserve Account Requirement is on deposit therein. Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal of or interest on the Bond when the moneys in the Sinking Fund are insufficient therefor, and for no other purpose. However, whenever the moneys on deposit in the Reserve Account exceed the Reserve Account Requirement, such excess shall be withdrawn and deposited into the Sinking Fund.

Whenever the amount in the Reserve Account, together with the amount in the Sinking Fund, is sufficient to fully pay the outstanding Bond in accordance with its terms (including

principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account may be transferred to the Sinking Fund for the payment of the Bond.

For any Fiscal Year in which the Reserve Account balance is less than the required total as described above, the Issuer will provide the Holder with a twelve-month budget and plan to convert the cash shortfall.

**SECTION 4.05. INVESTMENTS.** The Sinking Fund, the Reserve Account and any other special funds or accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds or accounts and shall be subject to a lien and charge in favor of the Holders of the Bond and for the further security for such Holders. All such funds and accounts shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the Laws of the State of Florida. Moneys on deposit in the Sinking Fund, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed. Moneys on deposit in the Reserve Account may be invested or reinvested in Authorized Investments provided in paragraphs (1), (2), (3) and (4) of such definition which shall mature no later than seven (7) years from the date of acquisition thereof. Any and all income received by the Issuer from the investment of moneys in the Sinking Fund shall be retained therein. All moneys in the Reserve Account, to the extent of any amount therein in excess of the Reserve Account Requirement, shall be deposited in the Sinking Fund.

**SECTION 4.06. SEPARATE ACCOUNTS.** The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

## **ARTICLE V**

### **COVENANTS OF THE ISSUER**

**SECTION 5.01. BOOKS AND RECORDS.** The Issuer will keep books and records of the receipt of the Non-Ad Valorem Revenues in accordance with generally accepted accounting principles for governmental units, and any Holder or Holders of the Bond shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

The Issuer covenants that within one hundred twenty (120) days of the close of each Fiscal Year it will cause to be prepared and filed with the Clerk and mailed to all Holders who shall have filed their names and addresses with the Clerk for such purpose a statement setting forth in respect of the preceding Fiscal Year: (A) the amount of the Non-Ad Valorem Revenues received in the preceding Fiscal Year; (B) the total amounts deposited to the credit of each fund and account created under the provisions of this Resolution, including the Reserve Account; (C) the outstanding principal amount of the Bond; and (D) the amounts on deposit at the end of such Fiscal Year to the credit of each such fund or account. In addition, the Issuer shall provide to the Holder of the Bond (i) a quarterly income and expense statement for three years after the issuance of the Bond, such report to be provided within 20 days of each quarter's end, and (ii) an annual budget and projected cash flow schedule each year.

**SECTION 5.02. ANNUAL AUDIT.** The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, an income statement, a statement of changes in financial position, a statement of changes in retained earnings and any other statements as required by law or accounting convention, and a report by such accountants disclosing any material default on the part of the Issuer of any covenant or agreement herein which is disclosed by the audit of the financial statements. The annual financial statements shall be prepared in conformity with generally accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to any Holder of the Bond who shall have furnished his address to the Clerk and requested in writing that the same be furnished to him.

### **SECTION 5.03. FEDERAL INCOME TAX COVENANTS.**

(1) The Issuer covenants with the Bondholder that it shall not use the proceeds of such Bond in any manner which would cause the interest on such Bond to be included in gross income for purposes of federal income taxation.

(2) The Issuer covenants with the Bondholder that neither the Issuer nor any person under its control or direction will make any use of the proceeds of such Bond (or amounts deemed to be proceeds under the Code) in any manner which would cause such Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and neither the Issuer nor any other person shall do any act or fail to do any act which would cause the interest on such Bond to be included in gross income for purposes of federal income taxation.

(3) The Issuer hereby covenants with the Bondholder that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bond from gross income for purposes of federal income taxation, including, in particular, for payment of any amount required to be rebated to the U. S. Treasury pursuant to the Code.

**SECTION 5.04. NO IMPAIRMENT.** The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the City Council of the Issuer.

**SECTION 5.05. ENTITLEMENT TO PAYMENTS.** The Issuer will take all lawful action necessary or required to continue to entitle the Issuer to receive the Non-Ad Valorem Revenues and will take no action which will impair or adversely affect its receipt of Non-Ad Valorem Revenues.

**SECTION 5.06. FIDELITY BONDS.** The Issuer will require each employee who may handle any Pledged Funds to be covered by a fidelity bond written by a recognized indemnity.

**SECTION 5.07. COMPLIANCE WITH LAWS AND REGULATIONS.** The Issuer covenants and agrees to perform and comply with, in every respect, all loan agreements which it may have with the Government or with any other governmental agency and with all applicable federal and state laws and regulations.

**SECTION 5.08. INSURANCE.** The Issuer covenants and agrees to, at all times Bonds remain outstanding hereunder, maintain insurance coverage, including property, public liability, vehicular public liability and worker's compensation insurance, in such amounts as are standard for political subdivisions similar to the Issuer.

**SECTION 5.09. DEBT SERVICE COVERAGE.** Beginning in 2025, the City covenants to use its best efforts to cause the Non-Ad Valorem Revenues to at least equal the sum of 1.10 times the Annual Debt Service and all required deposits to the Reserve Account. If such ratio drops below 1.1 times for any Fiscal Year, or quarterly financial report, then an independent management consultant shall be engaged at the expense of the Issuer to prepare a fiscal strategy report that documents how the debt service requirement will be met. Such report shall be provided to the Holder not less than 90 days after any quarter in which the coverage referenced above drops below 1.1x.

## ARTICLE VI

### DEFAULTS AND REMEDIES

**SECTION 6.01. EVENTS OF DEFAULT.** The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal of or interest on the Bond when due.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bond or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty (30) days after written notice of such default shall have been received from the Holder of the Bond.

**SECTION 6.02. REMEDIES.** Any Holder of the Bond issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholder 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 under the Laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof.

The Holder or Holders of the Bond may by a duly executed certificate in writing appoint a trustee for Holders of the Bond issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk.

**SECTION 6.03. REMEDIES CUMULATIVE.** No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**SECTION 6.04. WAIVER OF DEFAULT.** No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and

every power and remedy given by this Section 6.04 to the Bondholder may be exercised from time to time, and as often as may be deemed expedient.

**SECTION 6.05. APPLICATION OF MONEYS AFTER DEFAULT.** If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Funds to the payment of the interest and principal or Redemption Price, if applicable, then due on the Bond, as follows:

(1) Unless the principal of the Bond shall have become due and payable, all such moneys shall be applied:

**FIRST:** to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

**SECOND:** to the payment to the Persons entitled thereto of the unpaid principal of the Bond which shall have become due at maturity or upon mandatory redemption prior to maturity (other a redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), with interest upon such Bond from the respective dates upon which it became due, and, if the amount available shall not be sufficient to pay in full the amount due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

**THIRD:** to the payment of the Redemption Price if the Bond is called for optional redemption pursuant to the provisions of this Resolution.

(2) If the principal of the Bond shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bond, with interest thereon as aforesaid, without preference or priority of principal over interest, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.



## ARTICLE VII

### SUPPLEMENTAL RESOLUTIONS

**SECTION 7.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDER'S CONSENT.** The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholder (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) to grant to or confer upon the Bondholder any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(D) To specify and determine the matters and things referred to in Sections 2.01 or 2.02 hereof, and also any other matters and things relative to such Bond which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bond.

**SECTION 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDER'S CONSENT.** Subject to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Holder or Holders of the Bond shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of, the principal of or the payment of the interest on the Bond, (B) reduction in the principal amount of the Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Funds other than the lien and pledge created by this Resolution which adversely affects any Bondholder. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholder of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to the Bondholder at its address as it appears on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Issuer for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the

validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

## ARTICLE VIII

### MISCELLANEOUS

**SECTION 8.01. DEFEASANCE.** If the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holder of the Bond the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of the Pledged Funds, and all covenants, agreements and other obligations of the Issuer to the Bondholder, shall thereupon cease, terminate and become void and be discharged and satisfied.

The Bond or interest installments appertaining thereto, whether at or prior to the maturity or redemption date, shall be deemed to have been paid within the meaning of this Section 8.01 if (A) in case any such Bond is to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bond for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Federal Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such bank or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bond on and prior to the redemption date or maturity date thereof, as the case may be. Except as hereafter provided, neither the Federal Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Federal Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bond for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption.

In the event the Bond for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 is not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall mail a notice to the Holder of such Bond that the deposit required by this Section 8.01 of moneys or Federal Securities has been made and said Bond is deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bond.

For purposes of this Section 8.01, the term "Federal Securities," in addition to the securities provided in the definition of such term in Section 1.01 hereof, shall include any bonds or other obligations of any state of the United States of America or Puerto Rico or of any agency, instrumentality or local governmental unit of any such state or Puerto Rico (A) which are (1) not callable prior to maturity or (2) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (B) which are secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or Federal Securities, secured in the manner set forth in this Section 8.01, which fund may be

applied only to the payment of such principal of, redemption premium, if any, and interest 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 the case may be, and (C) as to which the principal of and interest on the Federal Securities, which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (A) above.

Nothing herein shall be deemed to require the Issuer to call the Bond for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

Notwithstanding the foregoing, any Bond owned by the Government may not be defeased.

**SECTION 8.02. SALE OF BOND.** The Bond is hereby awarded to the United States Department of Agriculture, Rural Housing Services, under the terms set forth herein.

**SECTION 8.03. SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions of this Resolution shall 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 separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bond issued hereunder.

**SECTION 8.04. REPEAL OF INCONSISTENT RESOLUTIONS.** All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

**SECTION 8.05. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

The Mayor thereupon declared the Resolution duly passed and adopted this the 14th day of May, 2024.

**CITY OF CHIPLEY, FLORIDA**

(SEAL)

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Mayor

ATTEST:

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City Clerk