

RESOLUTION NO. 13-13

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FORT MYERS BEACH, FLORIDA SUPPLEMENTING THE TOWN'S AMENDED AND RESTATED WATER AND WASTEWATER REVENUE BOND RESOLUTION ADOPTED ON AUGUST 5, 2013; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$1,980,000 PRINCIPAL AMOUNT OF A TOWN OF FORT MYERS BEACH, FLORIDA UTILITY REVENUE REFUNDING BOND, SERIES 2013 IN ORDER TO REFUND ALL THE ISSUER'S OUTSTANDING REVENUE REFUNDING NOTE, SERIES 2010; AUTHORIZING A NEGOTIATED SALE OF SAID BOND TO STI INSTITUTIONAL & GOVERNMENT, INC.; PROVIDING FOR A COVENANT TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE TOWN TO THE EXTENT PLEDGED FUNDS ARE INSUFFICIENT TO PAY DEBT SERVICE ON THE SERIES 2013 BOND; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; DESIGNATING THE SERIES 2013 BOND AS A QUALIFIED TAX-EXEMPT OBLIGATION; DELEGATING CERTAIN AUTHORITY TO THE MAYOR, CLERK AND OTHER OFFICERS OF THE ISSUER; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS IN CONNECTION WITH ISSUANCE OF THE SERIES 2013 BOND; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF FORT MYERS BEACH, AS FOLLOWS:

SECTION 1. FINDINGS. It is hereby ascertained, determined and declared that:

(A) There is currently a need for the Town of Fort Myers Beach, Florida (the "Town" or "Issuer") to refinance the outstanding principal amount of its \$2,520,000 Revenue Refunding Note, Series 2010 (the "Prior Indebtedness") which matures on August 6, 2013 and that refinancing of the Prior Indebtedness will be in the best interest of the Issuer and the citizens of the Town and serves a valid public purpose.

(B) STI Institutional & Government, Inc. (the "Purchaser") has submitted its proposal letter to provide the Issuer with a term loan in an amount not to exceed \$1,980,000 to refinance the Prior Indebtedness, which proposal letter is attached hereto as EXHIBIT B.

(C) The Series 2013 Bond, to be designated as the "Town of Fort Myers Beach, Florida Utility Revenue Refunding Bond, Series 2013," shall be repaid solely from certain revenues, as described herein, and, to the extent such revenues are insufficient, a covenant of the Issuer to budget and appropriate legally available Non-Ad Valorem Revenues (as hereinafter defined), in the manner and to the extent set forth herein and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay said amounts.

(D) It is not reasonably anticipated that more than \$10,000,000 of tax-exempt obligations as defined under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), will be issued by the Issuer during calendar year 2013.

(E) On the date hereof, the Issuer has adopted Resolution No. 13-12 (the "Original Resolution"), to facilitate the borrowing of moneys from time to time to improve and expand the System and to refinance certain indebtedness related to the System.

(F) Due to the present volatility of the market for tax-exempt obligations such as the Series 2013 Bond and the complexity of the Pledged Funds securing such Series 2013 Bond, it is in the best interest of the Issuer to sell the Series 2013 Bond by a negotiated sale to the Purchaser, allowing the Issuer to refinance the Prior Indebtedness in a timely and efficient manner, thereby permitting the Issuer to obtain the best interest rate for the Series 2013 Bond. Prior to issuance of the Series 2013 Bond, the Purchaser shall provide the information required by Section 218.385, Florida Statutes, in connection with the negotiated sale of the Series 2013 Bond.

(G) The covenants, pledges and conditions in the Original Resolution shall be applicable to the Series 2013 Bond herein authorized and said Series 2013 Bond shall be on a parity with and rank equally as to the lien on and source and security for payment from the Pledged Funds and in all other respects with all Additional Bonds hereafter issued pursuant to the Original Resolution, and shall constitute "Bonds" within the meaning of the Original Resolution.

(H) The Original Resolution provides that such Series 2013 Bond shall mature on such date and in such amount, shall bear such rate of interest, shall be payable in such places and shall be subject to such redemption provisions as shall be determined by Supplemental Resolution; and it is now appropriate that the Issuer set forth the parameters and mechanism to determine such terms and details.

SECTION 2. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION. This Supplemental Resolution is adopted pursuant to the provisions of the Act.

SECTION 3. DEFINITIONS. When used in this Supplemental Resolution, terms defined in the Original Resolution shall have the meanings therein stated, except as such definitions shall be hereinafter amended or defined.

"Adjusted BQ Rate" shall mean, upon a Loss of BQ Status, the interest rate per annum that shall provide the Purchaser with the same after tax yield that the Purchaser would have otherwise received had the Loss of BQ Status not occurred, taking into account the increased taxable income of the Purchaser as a result of such Loss of BQ Status. The Purchaser shall provide the Issuer with a written statement explaining the calculation of the Adjusted BQ Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Issuer.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Purchaser is authorized or required to be closed.

"Clerk" shall mean the Clerk of the Issuer or her or his duly authorized designee.

"Default Rate" shall mean the lesser of (A) sum of the Prime Rate plus 18% per annum, or (B) or the maximum rate allowed by law.

"Determination of Taxability" shall mean the occurrence after the date hereof of the adoption or taking effect of any law, rule or regulation that changes the ability of the holder to exclude all or a portion of the interest on the Series 2013 Bond for federal income tax purposes or a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of the Series 2013 Bond is or was includable in the gross income of the Purchaser for federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Issuer has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any lender, and until the conclusion of any appellate review, if sought.

"Final Maturity Date" shall have the meaning ascribed to it in Section 5(B) hereof.

"Interest Dates" shall have the meaning ascribed to it in Section 5(B) hereof.

"Interest Rate" shall mean prior to a Determination of Taxability, the interest rate per annum equal to (A) 1.81%, multiplied by (B) the Margin Rate Factor, subject to adjustment as provided herein.

"Loss of BQ Status" shall mean a determination by the Purchaser that the Series 2013 Bond is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code (or any successor provision).

"Margin Rate Factor" shall mean the fraction the numerator of which is equal to one minus the Maximum Federal Corporate Tax Rate on the date of calculation and the denominator of which is 0.65. The Margin Rate Factor shall be 0.65/0.65 or 1.0 so long as the Maximum Federal Corporate Tax Rate shall be 35%, and thereafter shall increase from time to time effective as of the effective date of any decrease in the Maximum Federal Corporate Tax Rate.

"Maximum Federal Corporate Tax Rate" shall mean the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, determined without regard to tax rate or tax benefit make-up provisions such as the last two sentences of Section 11(b)(1) of the Code, as in effect from time to time (or, if as a result of a change in the Code the rate of income taxation imposed on corporations shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser). The Maximum Federal Corporate Tax Rate on the date of execution of this Supplemental Resolution is 35%.

"Prime Rate" shall mean the per annum rate which the SunTrust Bank announces from time to time to be its prime rate, as in effect from time to time. The Purchaser's prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. SunTrust Bank may make commercial loans or other loans at rates of interest at, above or below the Purchaser's prime rate. Each change in SunTrust Bank's prime rate shall be effective from and including the date such change is announced as being effective.

"Non-Ad Valorem Revenues" shall mean all revenues of the Issuer derived from any source whatsoever other than ad valorem taxation on real or personal property, which are legally available to make the payments, if necessary, as required herein.

"Prior Indebtedness" shall mean the Issuer's Revenue Refunding Note, Series 2010, issued in the principal amount of \$2,520,000 on August 6, 2010 and currently outstanding in the principal amount of \$1,980,000.

"Purchaser" shall mean STI Institutional & Government, Inc., and its successors and assigns.

"Put Date" shall mean initially August 6, 2016, and thereafter such date as agreed upon by the Issuer and the Purchaser, unless, in the sole discretion of the Purchaser, not more than 120 days prior to such date the Purchaser provides written notice to the Issuer that the Purchaser has determined not to tender the Series 2013 Bond for purchase on any such date, in which case such date shall no longer be a Put Date.

"Taxable Period" shall mean the period of time between (A) the date that interest on the Series 2013 Bond is deemed to be includable in the gross income of the owner thereof for federal income tax purposes as a result of a Determination of Taxability, and (B) the date of the Determination of Taxability.

"Taxable Rate" shall mean, upon a Determination of Taxability, the interest rate per annum that shall provide the Purchaser with the same after tax yield that the Purchaser would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Purchaser as a result of such Determination of Taxability. The Purchaser shall provide the Issuer with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Issuer.

SECTION 4. AUTHORIZATION OF THE REFUNDING OF THE PRIOR INDEBTEDNESS. The Issuer hereby authorizes the refunding of the Prior Indebtedness and the refinancing thereof with proceeds of the sale of the Series 2013 Bond to the Purchaser.

SECTION 5. DESCRIPTION OF THE SERIES 2013 BOND. (A) Pursuant to Sections 2.01 and 2.02 of the Original Resolution, the Issuer has heretofore authorized the issuance of a Bond in the aggregate principal amount not to exceed \$1,980,000 to be known as the "Town of Fort Myers Beach, Florida Utility Revenue Refunding Bond, Series 2013" (or such other series designation as the Mayor may determine), for the principal purpose of refunding the Prior Indebtedness. The principal amount of the Series 2013 Bond to be issued shall be \$1,980,000. The Series 2013 Bond shall be dated as of the date of its delivery (or such other date as shall be determined by the Mayor) and shall be issued in the form of a fully registered Bond without coupons in one denomination of \$1,980,000 (the "Authorized Denomination"). Notwithstanding Section 2.08 of the Original Resolution, the Series 2013 Bond shall be substantially in the form attached as EXHIBIT A hereto. No CUSIP number shall be requested by the Issuer for the Series 2013 Bond upon issuance and thereafter shall only be requested by the Issuer with the prior written consent of the Purchaser.

(B) The Series 2013 Bond shall bear interest from its date of issuance at the Interest Rate unless otherwise adjusted pursuant to Section 11 hereof, based on a 360-day year consisting of twelve 30-day months. Upon an Event of Default the Interest Rate shall equal the Default Rate. The Series 2013 Bond shall be a Term Bond (within the meaning of the Original Resolution) and shall mature on October 1, 2023 (the "Final Maturity Date"). Interest shall be payable semi-annually commencing on October 1, 2013 and on the first day of April and October thereafter (each an "Interest Date"). The principal amount of the Series 2013 Bond shall be paid annually commencing October 1, 2013, in accordance with the Sinking Fund Installment schedule attached to the Series 2013 Bond. In any case where the due date of interest or of principal of the Series 2013 Bond is not a Business Day, the payment of such interest or principal need not be made

on such date but may be made on the next succeeding Business Day, provided that credit for payments shall not be given until payment is actually received by the Purchaser. Notwithstanding anything in the Original Resolution to the contrary, the Series 2013 Bond shall not be required to be presented for payment, except upon payment of the final installment of principal, and no notation of such payments shall be required to be made on such Series 2013 Bond.

SECTION 6. SECURITY; 2013 RESERVE SUBACCOUNT. (A) The Series 2013 Bond shall be secured equally and ratably by a pledge of the Pledged Funds with all Bonds which may be Outstanding from time to time as provided in Section 4.02 of the Original Resolution; provided, however, the Series 2013 Bond shall not be secured by or have a lien on the Reserve Account of the Sinking Fund, but rather shall be secured by a separate subaccount established below.

(B) There is hereby established for the Series 2013 Bond a "2013 Reserve Subaccount" in the Reserve Account of the Sinking Fund. The Reserve Account Requirement for the Series 2013 Bond shall be \$0.

SECTION 7. ISSUER'S COVENANT TO BUDGET AND APPROPRIATE NON-AD VALOREM REVENUES. To the extent the Pledged Funds are insufficient to pay scheduled debt service on the Series 2013 Bond, the Issuer 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 which shall be sufficient to pay debt service on the Series 2013 Bond. 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. Such covenant to 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 hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of debt service on the Series 2013 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, in all respects to the restrictions of Section 166.241(2), Florida Statutes, which provides, in part, that the governing body of each municipality to make appropriations for each Fiscal Year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Town or which are legally mandated by applicable law.

SECTION 8. DESIGNATION OF THE SERIES 2013 BOND AS A QUALIFIED TAX-EXEMPT OBLIGATION. The Issuer hereby designates the Series 2013 Bond as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code. This designation is based upon the findings of the Issuer set forth in Section 1(D) hereof, and the Mayor is authorized to certify such finding upon the issuance of the Series 2013 Bond.

SECTION 9. OPTIONAL PREPAYMENT.

(A) The Series 2013 Bond may be redeemed prior to the Final Maturity Date, at the option of the Issuer, from any moneys legally available therefor, upon notice as provided herein, in whole or in part, without penalty or premium, on or after August 6, 2014, by paying to the Purchaser the unpaid principal amount of the Series 2013 Bond, plus the unpaid interest accrued on the amount of principal so redeemed to the date of such redemption. Notwithstanding anything in the Original Resolution to the contrary, any partial prepayment shall be applied to reduce the principal installments in inverse order of the scheduled payment date.

(B) Notwithstanding Article III of the Original Resolution, any redemption shall be made on such Business Day as shall be specified by the Issuer in a written notice provided to the Purchaser not less than two (2) days prior thereto by first class mail. Notice having been given as aforesaid, the outstanding principal of the Series 2013 Bond shall become due and payable on the date of redemption stated in such notice, and interest accrued and unpaid to the date of redemption on the principal amount then being paid. If on the date of redemption moneys for the payment of the principal amount to be redeemed on the Series 2013 Bond, and accrued interest to the date of redemption on such principal amount, shall have been paid to the Purchaser as above provided, then from and after the date of redemption, interest on such redeemed principal amount of the Series 2013 Bond shall cease to accrue. If said money shall not have been so paid on the date of redemption, such principal amount of the Series 2013 Bond shall continue to bear interest until payment thereof at the Interest Rate, as adjusted herein.

SECTION 10. PUT PROVISION. The Purchaser, in its sole discretion, has the right to "put" the Series 2013 Bond to the Issuer on the Put Date, provided, that the Purchaser may give written notice to the Issuer not later than 120 days prior to such put date that it will, in its sole discretion, extend the term for an additional mutually agreeable time period; provided further, that the failure to give any notice shall mean that

the term has not been extended and the Issuer shall be obligated to pay or purchase the Series 2013 Bond in full on such Put Date.

SECTION 11. ADJUSTMENTS TO INTEREST RATES. (A) Upon the occurrence of a Determination of Taxability and for as long as the Series 2013 Bond remains outstanding, the Interest Rate on the Series 2013 Bond shall be converted to the Taxable Rate (unless an Event of Default shall have occurred, in which case the Default Rate shall apply). In addition, upon a Determination of Taxability, the Issuer shall pay to the Purchaser (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Series 2013 Bond during the Taxable Period, and (B) the amount of interest that would have been paid during the Taxable Period had the Series 2013 Bond borne interest at the Taxable Rate, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Purchaser as a result of the Determination of Taxability. This adjustment shall survive payment of this Series 2013 Bond until such time as the federal statute of limitations under which the interest on this Series 2013 Bond could be declared taxable under the Code shall have expired.

(B) So long as no Determination of Taxability shall have occurred, upon the occurrence of a Loss of BQ Status and for as long as the Series 2013 Bond remains outstanding, the Interest Rate on the Series 2013 Bond shall be converted to the Adjusted BQ Rate (unless an Event of Default shall have occurred, in which case the Default Rate shall apply). In addition, upon a Loss of BQ Status, the Issuer shall pay to the Purchaser (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Series 2013 Bond during the period of time from the date of issuance of the Series 2013 Bond and the next succeeding interest payment date, and (B) the amount of interest that would have been paid during the period in clause (A) had the Series 2013 Bond borne interest at the Adjusted BQ Rate, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Purchaser as a result of the Loss of BQ Status.

SECTION 12. APPLICATION OF SERIES 2013 BOND PROCEEDS. All of the proceeds derived from the sale of the Series 2013 Bond, \$1,980,000, shall be retained by the Purchaser and transferred to SunTrust Bank and used to refund all of the outstanding Prior Indebtedness.

SECTION 13. ADDITIONAL COVENANTS AND CONDITIONS. In addition to the covenants, conditions and restrictions provided in the Original Resolution, so long as the Series 2013 Bond is Outstanding, the Issuer hereby agrees to the following additional covenants and restrictions:

(A) ADDITIONAL BONDS. In the event the Issuer desires to issue Additional Bonds payable on parity with the Series 2013 Bond, the Issuer covenants that it will only issue such Additional Bonds if the ratio of the average Net Revenues (which shall

exclude any investment earnings from the Construction Fund) and Connection Fees for the two most recent Fiscal Years to the projected Maximum Annual Debt Services on the existing and proposed Bonds is at least equal to 1.2:1; provided, however, for purposes of the definition of "Debt Service" in the Original Resolution, the establishment of any "Reamortization Period" shall require the prior written consent of the Purchaser.

(B) ANNUAL AUDIT AND BUDGET. Notwithstanding Section 5.06 of the Original Resolution, the Issuer shall deliver a copy of the Annual Audit to the Purchaser no later than 270 days after the end of each Fiscal Year and an annual budget within 30 days of adoption, together with any other information the Purchaser may reasonably request.

(C) DEFAULT RATE OF INTEREST. Notwithstanding Section 7.01 of the Original Resolution, upon and during the occurrence of an Event of Default the Series 2013 Bonds shall bear interest at the Default Rate. Immediately and without notice, upon the occurrence of any Event of Default, the Purchaser may declare this Supplemental Resolution and the Series 2013 Bond to be immediately due and payable without further action of any kind and upon such declaration the Series 2013 Bond and the interest accrued thereon, and all other amounts owing to the Purchaser shall immediately become due and payable.

(D) RATE COVENANT. In calculating the rate covenant described in Section 5.04 of the Original Resolution, the Issuer hereby covenants that the test set forth in Section 5.04(A) of the Original Resolution shall be met when (1) substituting "120%" instead of "110%" in such paragraph, and (2) excluding the Fund Balance in such calculation.

(E) CONSENT FOR AMENDMENTS. The Issuer shall not amend this Supplemental Resolution or the Original Resolution pursuant to Section 8.01(a), Section 8.01(k) or Section 8.02 of the Original Resolution, without the prior written consent of the Purchaser. Additionally, any amendments to Articles IV, V, VI, VII or VIII of the Original Resolution shall require the prior written consent of the Purchaser.

(F) EVENTS OF DEFAULT. Notwithstanding Article VII of the Original Resolution, (1) if the Issuer shall default in the performance of or compliance with any term or covenant contained in this Supplemental Resolution or the Series 2013 Bonds or any representation or warranty made in writing by or on behalf of the Issuer in this or the Series 2013 Bonds shall prove to have been false or incorrect in any material respect on the date made or reaffirmed shall be deemed to be an Event of Default under the Original Resolution, and (2) Section 7.01 (c) of the Original Resolution shall be read by substituting "30" instead of "90" in such paragraph.

(G) NOTICE OF DEFAULTS. Notwithstanding Article VII of the Original Resolution, the Issuer shall within three (3) Business Days after it acquires knowledge

thereof, notify the Purchaser of: (1) any change in any material fact or circumstance represented or warranted by the Issuer in the Original Resolution or this Supplemental Resolution or in connection with the issuance of the Series 2013 Bond; (2) upon the happening, occurrence, or existence of any Event of Default, and (3) any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Purchaser, along with such written notice, a detailed statement of all relevant facts and the action being taken or proposed to be taken by the Issuer with respect thereto. Regardless of the date of receipt of such notice by the Purchaser, such date shall not in any way modify the date of occurrence of the actual Event of Default.

(H) DEFEASANCE OPINION. So long as the Series 2013 Bond is Outstanding and the Purchaser or one of its affiliates as the Holder of the Series 2013 Bond, in the event that a defeasance escrow trust is established, such defeasance escrow trust shall be established pursuant to the requirements of Article IX and any additional requirements requested by the Purchaser based on its policies in effect at such time.

(I) SALE OR ASSIGNMENT OF SYSTEM. Any sale or assignment of the System shall require the prior written consent of the Purchaser unless the Series 2013 Bond is to be prepaid at such time.

SECTION 14. WAIVER OF JURY TRIAL. The Issuer knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury, with respect to any litigation or legal proceedings based on or arising out of this Supplemental Resolution or the Series 2013 Bond, including any course of conduct, course of dealings, verbal or written statement or actions or omissions of any party which in any way relates to the Series 2013 Bond or this Supplemental Resolution.

SECTION 15. APPLICABLE LAW AND VENUE. This Series 2013 Bond shall be governed by applicable federal law and the internal laws of the state of Florida. The Issuer agrees that certain material events and occurrences relating to this Series 2013 Bond bear a reasonable relationship to the laws of Florida and the validity, terms, performance and enforcement of this Series 2013 Bond shall be governed by the internal laws of Florida which are applicable to agreements which are negotiated, executed, delivered and performed solely in Florida. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to this Series 2013 Bond, Issuer consents to the jurisdiction and venue of any court located in the state of Florida.

SECTION 16. GENERAL AUTHORITY. The Mayor, the Clerk, the Issuer's general counsel, finance director and the other officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Supplemental Resolution, the Original Resolution, or desirable or consistent with the requirements hereof or of the Original Resolution, for the full punctual and

complete performance of all the terms, covenants and agreements contained herein or in the Series 2013 Bond, the Original Resolution, and each member, employee, attorney and officer of the Issuer is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. If the Mayor is unavailable or unable at any time to perform any duties or functions hereunder, the Vice-Mayor of the Issuer is hereby authorized to act on his or her behalf.

SECTION 17. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, 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 or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Series 2013 Bond.

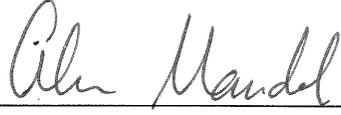
SECTION 18. ORIGINAL RESOLUTION TO CONTINUE IN FORCE. Except as herein expressly provided, the Original Resolution and all the terms and provisions thereof are and shall remain in full force and effect.

SECTION 19. EFFECTIVE DATE. This Supplemental Resolution shall take effect immediately upon its adoption.

[SIGNATURE PAGE TO FOLLOW]

THE FOREGOING RESOLUTION WAS ADOPTED BY THE TOWN OF FORT MYERS BEACH, FLORIDA ON AUGUST 5, 2013.

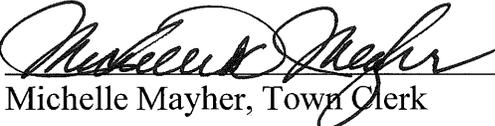
**TOWN OF FORT MYERS BEACH,
FLORIDA**



Alan Mandel, Mayor

ATTEST:

Approved as to Legal Sufficiency:



Michelle Mayher, Town Clerk



Fowler White Boggs
Town Attorney

EXHIBIT A

FORM OF SERIES 2013 BOND

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933.

No. R-1

\$1,980,000

**UNITED STATES OF AMERICA
STATE OF FLORIDA
TOWN OF FORT MYERS BEACH, FLORIDA
UTILITY REVENUE REFUNDING BOND,
SERIES 2013**

Interest Rate	Maturity Date	Date of Original Issue
1.81%	October 1, 2023	August 6, 2013

Registered Holder: STI INSTITUTIONAL & GOVERNMENT, INC.

Principal Amount: ONE MILLION NINE HUNDRED EIGHTY THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the Town of Fort Myers Beach, Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, and to the extent such Pledged Funds are insufficient, from Non-Ad Valorem Revenues budgeted and appropriated in accordance with Section 7 of the Supplemental Resolution (as hereinafter defined), to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above (subject to adjustment as provided in the hereinafter defined Resolution) on April 1 and October 1 of each year commencing October 1, 2013, until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption, tender and acceleration prior to maturity may be or become applicable hereto. The Principal Amount of this Series 2013 Bonds shall be paid annually commencing October 1, 2013, in accordance with the Sinking Fund Installment scheduled attached hereto as Appendix I to this Series 2013 Bond.

Such Principal Amount and interest and the premium, if any, on this Series 2013 Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Series 2013 Bond is issued under the authority of and in full compliance with the Constitution and laws of the State of Florida Chapter 166, Florida Statutes, the Issuer's Charter and other applicable provisions of law (the "Act"), and the Issuer's Amended and Restated Water and Wastewater Revenue Bond Resolution No. 13-12, dated August 5, 2013 (the "Original Resolution"), as amended and supplemented and as particularly supplemented by Resolution No. 13-13 adopted by the Issuer on August 5, 2013 (the "Supplemental Resolution" and together with the Original Resolution, collectively, the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Series 2013 Bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of (1) the Net Revenues (as defined in the Original Resolution) to be derived from the operation of the Issuer's water system (the "System"), (2) the Connection Fees (as defined in the Original Resolution), (3) any other Special Assessments Proceeds (to the extent the Issuer has included such as Pledged Funds pursuant to a Supplemental Resolution), and (4) until applied in accordance with the provisions of the Original Resolution, all moneys, including investments thereof, in the funds and accounts established by the Original Resolution, except (A) as for the Rebate Fund, (B) to the extent moneys therein shall be required to pay the Operating Expenses (as defined in the Original Resolution), and (C) to the extent moneys on deposit in a subaccount of the Reserve Account established by the Original Resolution shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions of the Resolution, subject in each case to the application thereof for the purposes and on the conditions permitted by the Resolution (collectively, the "Pledged Funds"). It is expressly agreed by the Registered Holder of this Bonds that the full faith and credit of the Issuer are not pledged to the payment of the principal of, premium, if any, and interest on this Series 2013 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, premium, if any, and interest. This Series 2013 Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any other property of the Issuer, but shall constitute a lien only on, and shall be payable solely from, the Pledged Funds in accordance with the terms of the Resolution and to the extent such Pledged Funds are insufficient, from Non-Ad Valorem Revenues budgeted and appropriated in accordance with Section 7 of the Supplemental Resolution. Neither the State of Florida nor Lee County, Florida, shall be obligated to pay this Series 2013 Bond and neither the full faith and credit nor the taxing power of the State of Florida or of any political subdivision thereof or Lee County is pledged to the payment of the principal of

or the interest on this Series 2013 Bond. The issuance of this Series 2013 Bond shall not directly or indirectly or contingently obligate the State of Florida or Lee County, Florida to levy or to pledge any form of taxation whatever or to make any appropriation for the payment of this Series 2013 Bond.

The Series 2013 Bond may be redeemed prior to the Final Maturity Date, at the option of the Issuer, from any moneys legally available therefor, upon notice as provided herein, in whole or in part, without penalty or premium, on or after August 6, 2014, by paying to the Purchaser the unpaid principal amount of the Series 2013 Bond, plus the unpaid interest accrued on the amount of principal so redeemed to the date of such redemption. Notwithstanding anything in the Original Resolution to the contrary, any partial prepayment shall be applied to reduce the principal installments in inverse order of scheduled payment date.

Notwithstanding Article III of the Original Resolution, any redemption shall be made on such Business Day as shall be specified by the Issuer in a written notice provided to the Purchaser not less than two (2) days prior thereto by first class mail. Notice having been given as aforesaid, the outstanding principal of the Series 2013 Bond shall become due and payable on the date of redemption stated in such notice, and interest accrued and unpaid to the date of redemption on the principal amount then being paid. If on the date of redemption moneys for the payment of the principal amount to be redeemed on the Series 2013 Bond, and accrued interest to the date of redemption on such principal amount, shall have been paid to the Purchaser as above provided, then from and after the date of redemption, interest on such redeemed principal amount of the Series 2013 Bond shall cease to accrue. If said money shall not have been so paid on the date of redemption, such principal amount of the Series 2013 Bond shall continue to bear interest until payment thereof at the Interest Rate, as adjusted in accordance with the Supplemental Resolution and herein.

The Purchaser, in its sole discretion, has the right to "put" this Series 2013 Bond to the Issuer on the Put Date (as defined in the Resolution), provided, that the Purchaser may give written notice to the Issuer not later than 120 days prior to such put date that it will, in its sole discretion, extend the term for an additional mutually agreeable time period; provided further, that the failure to give any notice shall mean that the term has not been extended and the Issuer shall be obligated to pay or purchase the Series 2013 Bond in full on such put date.

Reference to the Original 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 Series 2013 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 connection with the issuance of this Series 2013 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 the Act, and that the issuance of the Series 2013 Bond does not violate any constitutional or statutory limitations or provisions.

Neither the members of the Town Council of the Issuer nor any person executing this Series 2013 Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Series 2013 Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Twentieth Judicial Circuit of Florida in and for Lee County, Florida, rendered on April 25, 2011.

IN WITNESS WHEREOF, the Town Council of the Town of Fort Myers Beach, Florida has issued this Series 2013 Bond and has caused the same to be executed by the manual or facsimile signature of the Mayor, and to be countersigned and attested by the manual or facsimile signature of the Clerk to the Town Council of the Town of Fort Myers Beach, Florida, all on the Date of Original Issue.

**TOWN OF FORT MYERS BEACH,
FLORIDA**

ATTEST:

By: _____
Mayor

By: _____
Clerk

CERTIFICATE OF AUTHENTICATION

This Series 2013 Bond is the Series 2013 Bond of the Issuer described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

**TOWN OF FORT MYERS BEACH,
FLORIDA, as Registrar**

By: _____
Clerk

EXHIBIT B

PURCHASER PROPOSAL LETTER