

KARL N. FLAGG  
MAYOR - COMMISSIONER

MARY LAWSON BROWN  
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS  
COMMISSIONER

VERNON MYERS  
COMMISSIONER

JAMES NORWOOD, JR.  
COMMISSIONER



*Regular meeting 2nd and 4th Thursdays each month at 6:00 p.m.*

ELWIN C. "WOODY" BOYNTON, JR.  
CITY MANAGER

BETSY JORDAN DRIGGERS  
CITY CLERK

RUBY M. WILLIAMS  
FINANCE DIRECTOR

GARY S. GETCHELL  
CHIEF OF POLICE

MICHAEL LAMBERT  
CHIEF FIRE DEPT.

DONALD E. HOLMES  
CITY ATTORNEY

**September 12, 2008**

**TO MESSRS: MARY LAWSON BROWN, ALLEGRA KITCHENS, VERNON MYERS  
AND JAMES NORWOOD, JR.:**

You are hereby notified that a special called meeting of the Palatka City Commission is called to be held on Wednesday, September 17, 2008, at the regular meeting place of the Palatka City Commission at City Hall, 201 N. 2<sup>nd</sup> Street, Palatka, Florida, to commence at 11:00 a.m.

The purpose of the meeting is to consider the adoption of the following Resolutions:

1. **RESOLUTION #8-45** awarding the issuance of a taxable Airport Revenue Note not to exceed \$750,000 and approving the Loan Agreement for Airport Hangar Construction – Adopt
2. **RESOLUTION #8-46** awarding the issuance of a tax-exempt Airport Revenue Note not to exceed \$1,250,000 and approve the Loan Agreement for the Airport Terminal Building Construction – Adopt
3. **RESOLUTION #8-47** awarding the issuance of a taxable Golf Course Revenue Note not to exceed \$1,700,000 to provide funds to refund the City's outstanding Golf Course Revenue Bonds, Series 2000, and to reimburse other advances – Adopt.

*Karl N. Flagg*

Karl N. Flagg, MAYOR

We acknowledge receipt of a copy of the foregoing notice of a special meeting on the 12<sup>th</sup> day of September, 2008.

*Mary Lawson Brown*

COMMISSIONER

*Vernon Myers*

COMMISSIONER

*James Norwood, Jr.*

COMMISSIONER

*Allegra Kitchens*

COMMISSIONER

# Memo

**To:** City Commission  
**From:** Ruby Williams, Finance Director  
**Date:** 9/16/2008  
**Re:** Loan –Palatka Municipal Airport, Golf

---

Attached are the bid amounts in response to the RFP's we received on or by September 12, 2008:

The City Manager and I are recommending that the city accept the quotes from SunTrust Bank who had the best conforming bid with an interest rate of 6.59% on the taxable Airport Revenue Note, 6.5402% on the taxable Golf Course Revenue note and 4.4395% on the Tax-exempt Airport Revenue note. These rates include the legal fees that SunTrust requires.

Capital City was the lowest bid on the Golf Course Revenue Note but their bid would require a referendum because they required an ad-valorem tax pledge. Hancock Bank was lowest on the Taxable Airport Revenue Note; the covenants they required were much more restricted than SunTrust bank's covenant requirements. The total interest differential was only about \$18,000 over the 15 year life of the loan. These recommendations were discussed with the city's bond attorney, Dan Livermore, who advises that the city may legally accept our recommendations. The City Manager and I think the above recommendations are in the best interest of the city.

Thank you for your consideration.



Bruce L. Barefoot  
Senior Vice President

SunTrust Bank, North Florida  
76 S. Laura Street  
Suite 20  
Jacksonville, FL 32202  
Tel 904/632.2561  
Fax 904/632.2780  
bruce.barefoot@suntrust.com

September 16, 2008

Ms. Ruby Williams  
Finance Director  
City of Palatka  
201 North Second Street  
Palatka, Florida 32177

Re: Revision to Response to Request for Proposals:

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
2. \$ 750,000.00 Taxable Airport Revenue Note &
3. \$1,700,000.00 Taxable Golf Course Revenue Note

Dear Ruby:

SunTrust Bank is pleased to provide our proposals for the subject financings. The terms and conditions of our proposal are outlined below:

**BORROWER:** City of Palatka, Florida.

**LENDER:** SunTrust Bank (the "Bank")

**TYPE OF FINANCING:** Bank Loans.

**AMOUNT/PURPOSE:**

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
  - Finance new Airport Terminal
2. \$750,000.00 Taxable Airport Revenue Note
  - Finance new Airport Hangers
3. \$1,700,000.00 Taxable Golf Course Revenue Note
  - Refund outstanding Golf Course Revenue Bond, \$2000,
  - Reimburse Borrower's General Fund for prior advances and
  - Reimburse other Borrower's Enterprise Funds for prior advances for golf course operating deficits

**INTEREST RATE/TERM/  
AMORTIZATION:**

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
  - Bank Qualified Tax Exempt Fixed Rate of 4.39% pa. This rate is firm to 9/30/08
  - Level annual principal repayment over 15 years
  - Semi annual interest payments commencing 6 months after closing date.
  - Prepayment Penalty – Full prepayment privileges without penalty.
2. \$750,000.00 Taxable Airport Revenue Note
  - Taxable Fixed Rate of 6.50%pa. This rate is firm to 9/30/08
  - Level annual principal repayment over 15 years
  - Semi annual interest payments commencing 6 months after closing date.
  - Prepayment Penalty – Full prepayment privileges without penalty
3. \$1,700,000.00 Taxable Golf Course Revenue Note
  - Taxable Fixed Rate of 6.50%pa. This rate is firm to 9/30/08
  - Level annual principal repayment over 15 years
  - Semi annual interest payments commencing 6 months after closing date.
  - Prepayment Penalty – Full prepayment privileges without penalty

**SECURITY:**

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
  - Airport Fund Net Revenues,
  - Federal Grant Proceeds and
  - Back-up Covenant to Budget and Appropriate of Legally Available Non Ad Valorem Revenues from the Borrower's General Fund
2. \$750,000.00 Taxable Airport Revenue Note
  - Airport Fund Net Revenues
  - Federal Grant Proceeds and
  - Back-up Covenant to Budget and Appropriate of Legally Available Non Ad Valorem Revenues from the Borrower's General Fund
  -
3. \$1,700,000.00 Taxable Golf Course Revenue Note
  - Golf Course Fund Net Revenues and
  - Back-up Covenant to Budget and Appropriate of Legally Available Non Ad Valorem Revenues from the Borrower's General Fund

**LOAN CONDITIONS:**

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
  - No additional Airport Enterprise Fund debt without the Bank's prior written approval.
2. \$750,000.00 Taxable Airport Revenue Note
  - No additional Airport Enterprise Fund debt without the Bank's prior written approval.
3. \$1,700,000.00 Taxable Golf Course Revenue Note
  - No additional Golf Course Enterprise Fund debt the Bank's prior written approval.

Other:

- Add Bonds Test: The Borrower's General Fund may secure additional parity debt on a covenant to budget and appropriate (including back-up pledges) of legally available non-ad valorem revenues if such revenues for any twelve consecutive months of the immediately preceding twenty four months provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the City's General Fund existing and contemplated covenant to budget and appropriate secured legally available non-ad valorem debt.

**CLOSING COSTS:**

\$3,500 legal fee for review of documents. This fee will cover the legal review of all three subject loans. (1/3 of this fee applies to each loan.)

**CREDIT APPROVAL:**

This proposal is not a commitment to lend and is subject to Bank's final credit approval. Such credit approval will be obtained within 3 business days of notification by the Borrower that SunTrust Bank has been awarded the financing.

**DOCUMENTATION:**

Documentation shall be prepared by Borrower's Counsel in form and substance satisfactory to the Borrower and the Bank and its Counsel, Mr. I. Weinstein of Rogers Towers P.A., Jacksonville, FL. Such documentation shall include, but not be limited to the following:

- Legal opinion from the City's Attorney indicating the bank qualified tax exempt status of this loan.
- Executed copy of City Commission authorization for this loan.
- Resolution as to borrowing and authorized signors for the Borrower.
- Bank requests these documents seven (7) business days in advance of closing.

SunTrust Bank greatly appreciates the opportunity to provide these financing proposals to the City of Palatka.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Livermore". The signature is stylized with a large initial "D" and a long horizontal stroke at the end.

enclosure

cc: Dan Livermore w/attachments  
Irv Weinstein w/attachments

**REVISED APPENDIX A  
REQUEST FOR PROPOSAL \*  
\$1,250,000  
CITY OF PALATKA, FLORIDA  
TAX-EXEMPT AIRPORT REVENUE NOTE**

1. Name and Address of Bidder: SunTrust Bank  
76 South Laura Street, Suite 20  
Jacksonville, FL 32202
  
2. Contact Person of Bidder: Bruce L. Barefoot  
Senior Vice President  
904/632-2561 (Office)  
904/632-2780 (Fax)  
904/535-3493 (Cell)  
bruce.barefoot@suntrust.com (Email)
  
3. Expenses to be paid by City: \$3,500.00 Legal Expenses  
This expense represents the total fee for the legal review of all three loans or  
1/3 of this legal expense per loan.

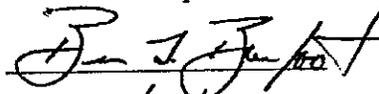
**ITEM**

**COST**

4. Interest Rate: Fixed

4.39% pa

Signature of Bidder



Date

9/16/08

\* Please refer to attached revised proposal dated 9/16/08

**REVISED APPENDIX A  
REQUEST FOR PROPOSAL \*  
\$750,000  
CITY OF PALATKA, FLORIDA  
TAXABLE AIRPORT REVENUE NOTE**

1. Name and Address of Bidder: SunTrust Bank  
76 South Laura Street, Suite 20  
Jacksonville, FL 32202
  
2. Contact Person of Bidder: Bruce L. Barefoot  
Senior Vice President  
904/632-2561 (Office)  
904/632-2780 (Fax)  
904/535-3493 (Cell)  
bruce.barefoot@suntrust.com (Email)
  
3. Expenses to be paid by City: \$3,500.00 Legal Expenses  
This expense represents the total fee for the legal review of all three loans or  
1/3 of this legal expense per loan.

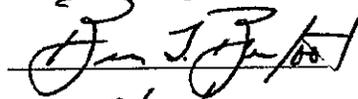
**ITEM**

**COST**

4. Interest Rate: Fixed

6.50% pa

Signature of Bidder



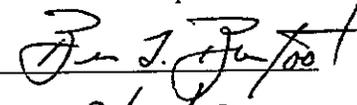
Date

9/16/08

\* Please refer to attached revised proposal dated 9/16/08

**REVISED APPENDIX A  
REQUEST FOR PROPOSAL \*  
\$1,700,000  
CITY OF PALATKA, FLORIDA  
TAXABLE GOLF COURSE REVENUE NOTE**

1. Name and Address of Bidder: SunTrust Bank  
76 South Laura Street, Suite 20  
Jacksonville, FL 32202
  
2. Contact Person of Bidder: Bruce L. Barefoot  
Senior Vice President  
904/632-2561 (Office)  
904/632-2780 (Fax)  
904/535-3493 (Cell)  
bruce.barefoot@suntrust.com (Email)
  
3. Expenses to be paid by City: \$3,500.00 Legal Expenses  
This expense represents the total fee for legal review of all three loans or 1/3  
of this legal expense per loan.

<u>ITEM</u>	<u>COST</u>
4. Interest Rate: Fixed	6.50% pa
Signature of Bidder	
Date	<u>9/16/08</u>

\* Please refer to attached revised proposal dated 9/16/08



Bruce L. Barefoot  
Senior Vice President

SunTrust Bank, North Florida  
76 S. Laura Street  
Suite 20  
Jacksonville, FL 32202  
Tel 904/632.2561  
Fax 904/632.2780  
bruce.barefoot@suntrust.com

September 12, 2008

Ms. Ruby Williams  
Finance Director  
City of Palatka  
201 North Second Street  
Palatka, Florida 32177

RECEIVED  
SEP 12 2008

BY: 11:43 AM

Re: Response to Request for Proposals:

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
2. \$ 750,000.00 Taxable Airport Revenue Note &
3. \$1,700,000.00 Taxable Golf Course Revenue Note

Dear Ruby:

SunTrust Bank is pleased to provide our proposals for the subject financings. The terms and conditions of our proposal are outlined below:

**BORROWER:** City of Palatka, Florida.

**LENDER:** SunTrust Bank (the "Bank")

**TYPE OF FINANCING:** Bank Loans.

**AMOUNT/PURPOSE:**

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
  - Finance new Airport Terminal
2. \$750,000.00 Taxable Airport Revenue Note
  - Finance new Airport Hangers
3. \$1,700,000.00 Taxable Golf Course Revenue Note
  - Refund outstanding Golf Course Revenue Bond, S2000,
  - Reimburse Borrower's General Fund for prior advances and
  - Reimburse other Borrower's Enterprise Funds for prior advances for golf course operating deficits

**INTEREST RATE/TERM/  
AMORTIZATION:**

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
  - Bank Qualified Tax Exempt Fixed Rate of 4.39% pa. This rate is firm to 9/30/08
  - Level annual principal repayment over 15 years
  - Semi annual interest payments commencing 6 months after closing date.
  - Prepayment Penalty – Full prepayment privileges without penalty.
  
2. \$750,000.00 Taxable Airport Revenue Note
  - Taxable Fixed Rate of 6.50%pa. This rate is firm to 9/30/08
  - Level annual principal repayment over 15 years
  - Semi annual interest payments commencing 6 months after closing date.
  - Prepayment Penalty – Full prepayment privileges without penalty
  
3. \$1,700,000.00 Taxable Golf Course Revenue Note
  - Taxable Fixed Rate of 6.50%pa. This rate is firm to 9/30/08
  - Level annual principal repayment over 15 years
  - Semi annual interest payments commencing 6 months after closing date.
  - Prepayment Penalty – Full prepayment privileges without penalty

**SECURITY:**

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
  - Airport Fund Net Revenues,
  - Federal Grant Proceeds and
  - Back-up Covenant to Budget and Appropriate of Legally Available Non Ad Valorem Revenues from the Borrower's General Fund
  
2. \$750,000.00 Taxable Airport Revenue Note
  - Airport Fund Net Revenues
  - Federal Grant Proceeds and
  - Back-up Covenant to Budget and Appropriate of Legally Available Non Ad Valorem Revenues from the Borrower's General Fund
  -
  
3. \$1,700,000.00 Taxable Golf Course Revenue Note
  - Golf Course Fund Net Revenues and
  - Back-up Covenant to Budget and Appropriate of Legally Available Non Ad Valorem Revenues from the Borrower's General Fund

**LOAN CONDITIONS:**

1. \$1,250,000.00 Bank Qualified Airport Revenue Note
  - No additional Airport Enterprise Fund debt without the Bank's prior written approval.
2. \$750,000.00 Taxable Airport Revenue Note
  - No additional Airport Enterprise Fund debt without the Bank's prior written approval.
3. \$1,700,000.00 Taxable Golf Course Revenue Note
  - No additional Golf Course Enterprise Fund debt the Bank's prior written approval.

**Other:**

- Add Bonds Test: The Borrower's General Fund may secure additional parity debt on a covenant to budget and appropriate (including back-up pledges) of legally available non-ad valorem revenues if such revenues for any twelve consecutive months of the immediately preceding twenty four months provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the City's General Fund existing and contemplated covenant to budget and appropriate secured legally available non-ad valorem debt.
- Debt Service Coverage: The Borrower's General Fund shall maintain a minimum annual debt service coverage of 1.25 to 1.0 on all debt secured by a covenant to budget and appropriate (including back-up pledges) of legally available non-ad valorem revenues.

**CLOSING COSTS:**

\$3,500 legal fee for review of documents.

**CREDIT APPROVAL:**

This proposal is not a commitment to lend and is subject to Bank's final credit approval. Such credit approval will be obtained within 3 business days of notification by the Borrower that SunTrust Bank has been awarded the financing.

**DOCUMENTATION:**

Documentation shall be prepared by Borrower's Counsel in form and substance satisfactory to the Borrower and the Bank and its Counsel, Mr. I. Weinstein of Rogers Towers P.A., Jacksonville, FL. Such documentation shall include, but not be limited to the following:

- Legal opinion from the City's Attorney indicating the bank qualified tax exempt status of this loan.
- Executed copy of City Commission authorization for this loan.

- Resolution as to borrowing and authorized signors for the Borrower.
- Bank requests these documents seven (7) business days in advance of closing.

SunTrust Bank greatly appreciates the opportunity to provide these financing proposals to the City of Palatka.

Sincerely,



enclosure

cc: Dan Livermore w/attachments  
Irv Weinstein w/attachments

**APPENDIX A  
REQUEST FOR PROPOSAL \*  
\$1,700,000  
CITY OF PALATKA, FLORIDA  
TAXABLE GOLF COURSE REVENUE NOTE**

1. Name and Address of Bidder: SunTrust Bank  
76 South Laura Street, Suite 20  
Jacksonville, FL 32202
2. Contact Person of Bidder: Bruce L. Barefoot  
Senior Vice President  
904/632-2561 (Office)  
904/632-2780 (Fax)  
904/535-3493 (Cell)  
bruce.barefoot@suntrust.com (Email)
3. Expenses to be paid by City: \$3,500.00 Legal Expenses

**ITEM**

**COST**

4. Interest Rate: Fixed

6.50% pa

Signature of Bidder

Bruce L. Barefoot

Date

9/12/08

\* Please refer to attached proposal

**APPENDIX A  
REQUEST FOR PROPOSAL \*  
\$750,000  
CITY OF PALATKA, FLORIDA  
TAXABLE AIRPORT REVENUE NOTE**

1. Name and Address of Bidder: SunTrust Bank  
76 South Laura Street, Suite 20  
Jacksonville, FL 32202
2. Contact Person of Bidder: Bruce L. Barefoot  
Senior Vice President  
904/632-2561 (Office)  
904/632-2780 (Fax)  
904/535-3493 (Cell)  
bruce.barefoot@suntrust.com (Email)
3. Expenses to be paid by City: \$3,500.00 Legal Expenses

**ITEM**

**COST**

4. Interest Rate: Fixed

6.50% pa

Signature of Bidder

Bruce L. Barefoot

Date

9/12/08

\* Please refer to attached proposal

**APPENDIX A  
REQUEST FOR PROPOSAL \*  
\$1,250,000  
CITY OF PALATKA, FLORIDA  
TAX-EXEMPT AIRPORT REVENUE NOTE**

1. Name and Address of Bidder: SunTrust Bank  
76 South Laura Street, Suite 20  
Jacksonville, FL 32202
2. Contact Person of Bidder: Bruce L. Barefoot  
Senior Vice President  
904/632-2561 (Office)  
904/632-2780 (Fax)  
904/535-3493 (Cell)  
bruce.barefoot@suntrust.com (Email)
3. Expenses to be paid by City: \$3,500.00 Legal Expenses

**ITEM**

**COST**

4. Interest Rate: Fixed

4.39% pa

Signature of Bidder

Bruce L. Barefoot

Date

9/12/08

\* Please refer to attached proposal

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(a),  
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to City of Palatka, FL  
(print name of the public entity)  
by Bruce Barefoot, SVP  
(print individual's name & title)  
for SunTrust Bank  
(print name of company submitting sworn statement)  
whose business address is 76 South Laura St, Suite 20  
Jacksonville, FL 32202

and (if applicable) its Federal Employer Identification Number (FEIN) is 58-0466330

(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement: \_\_\_\_\_.)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services, any lease for real property, or any contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
- a. A predecessor or successor of a person convicted of a public entity crime; or
  - b. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1)(a), Florida Statutes, means any natural person or any entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Indicate which statement applies)

X Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH I (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.107, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Bruce J. Bankot  
(signature)  
9/12/08  
(date)

STATE OF Florida  
COUNTY OF Duval

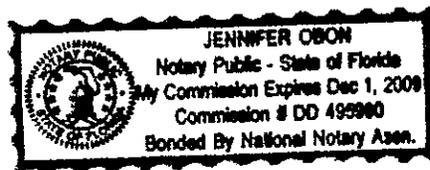
PERSONALLY APPEARED BEFORE ME, the undersigned authority,

Bruce Bankot who, after first being sworn by me, affixed his/her signature  
(name of individual signing)

in the space provided above on this 12 day of September, 2008.

Jennifer Obon  
(NOTARY PUBLIC)

My commission expires: Dec 1 2009



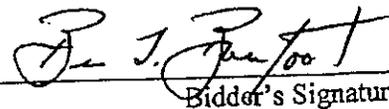
## DRUG-FREE WORKPLACE FORM

The undersigned vendor, in accordance with Florida Statute 287.087 hereby certifies that

SunTrust Bank does:  
(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 1893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

  
Bidder's Signature

9/12/08

Date

APPENDIX A  
REQUEST FOR PROPOSAL

\$750,000  
CITY OF PALATKA, FLORIDA  
TAXABLE AIRPORT REVENUE NOTE

1. Name and Address of Bidder: Hancock Bank of Florida \*  
1706 W. Tennessee Street  
Palatka, Florida 32909
2. Contact Person of Bidder: Steven E. Cole  
Title: Senior Vice President  
Phone #: 850-591-7452  
Fax #: 850-792-8424
3. Expenses to be paid by City: The bank may charge no fees - see  
attached proposal letter.
- | <u>Item</u>             | <u>Cost</u>           |
|-------------------------|-----------------------|
| 4. Interest Rate: Fixed | <u>6.20 *</u>         |
| Signature of Bidder     | <u>Steven E. Cole</u> |
| Date                    | <u>9/10/08</u>        |

\* The terms and conditions set forth in the following proposal letter are hereby incorporated into this offering.

RECEIVED  
SEP 12 2008  
BY: 12:57 PM RW

VIA E-MAIL

September 12, 2008

Honorable Mayor and City Commission  
City of Palatka, Florida

C/o Ms. Ruby Williams  
Finance Director  
City of Palatka

Mr. Dan U. Livemore, Jr.  
Livemore, Freeman & McWilliams, P. A.

Re: Not to exceed \$750,000.00 Taxable Airport Revenue Note, Series 2008  
City of Palatka's Request for Proposal (RFP) letter of August 28, 2008

Dear Ruby and Dan:

Please accept this letter as a commitment of the undersigned to purchase the above captioned Note upon the terms and conditions outlined below:

Issuer: City of Palatka, Florida.

Amount: \$750,000.00 maximum in aggregate principal amount in the form of revenue note (the "Note") of the Issuer.

Purpose of Issue: Proceeds of the Note will be used to finance new hangers at the City's airport facilities and to pay the cost of issuance (the "Project").

Authority for Issue: Provisions of the Florida Constitution, the Charter of the City of Palatka, Florida, as amended; Chapter 166, Part II of the Florida Statutes, and any other valid constitutional and statutory authority.

Dated Date of Note - Date of Delivery

Form of Certificates: The Note will be issued as a single typewritten or printed certificate, in fully registered form.

Interest Rate & Term: The City, through its RFP, has requested that the loan be amortized over a fifteen (15) year period of time. The City has further requested that the principal be payable annually utilizing 15 equal payments of principal on each anniversary date as outlined in its RFP:

<u>Principal Payment</u> <u>Term</u>	<u>Annual</u> <u>Interest Rate **</u>
15 equal annual installments of principal	6.20% fixed

\*\* Hancock Bank will hold the quoted fixed rate firm provided the City accepts our proposal within 15 days and the loan is closed within 45 days from the date of this proposal. Should the closing of the loan exceed the 45 day time frame, the interest rate could be adjusted higher based on the then current market conditions.

Interest Payments: Interest would be paid semi-annually with the first interest payment commencing 6 months from the dated date (closing date) of the Note.

Prepayment Provisions: The principal may be prepaid in whole on any date with 10 days advance written notice to the Bank *without prepayment penalty*. Principal may be prepaid in part on any principal payment day with 10 days advance written notice to the Bank *without prepayment penalty*, provided that the City pays all accrued interest which shall have accrued to the date of prepayment. Principal prepayments attributable to "grant revenues" (as defined in the City's RFP) will be applied to reduce all remaining principal installments equally. If Grant revenues are received by the City (in an amount that would not be a full payoff amount on the loan) on a day that is not a principal payment day, the City will hold said grant receipts in trust until it applies the grant revenues on the next principal payment day. Principal prepayments from sources other than grant revenues will apply to those principal installments with the latest maturities on the Note, in inverse order.

Credit Approval: Already approved.

Security: The Loan will be secured by a first lien pledge and dedication of the Net Revenues from the Airport Facilities' operation and any federal grant revenues received related to the Project. The City would also covenant to budget and appropriate from all legally available revenues and taxes (other than ad valorem taxes) of the City derived from any source whatsoever, subject only to the payment of debt secured by a lien on specific revenues and the requirement that the City fund essential governmental services (the City will not otherwise be entitled to fail to budget and appropriate debt service in order to balance its budget). Such covenant to budget and appropriate shall be cumulative to the extent not paid, and shall continue until such non-ad valorem revenues and taxes in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid.

Additional Debt: The City will not incur additional debt secured by a lien on all or a portion of the legally available non ad valorem revenues or by a covenant to budget and appropriate unless it shall certify that the legally available non ad valorem revenues, after provision for essential governmental service and payment of all debt secured by all or a portion of the legally available non ad valorem revenues, is no less than 1.30 times the maximum annual debt service on all debt secured by a covenant to budget and appropriate legally available non ad valorem revenues.

Additions and/or required changes to the draft documents submitted with the City's RFP

\* Please see our language under sections above captioned "Security" and "Additional Debt". We would want to modify (from the draft Loan Agreement and Note) some of the "security" language to a form that would be acceptable to the Bank and the City.

\* Partial prepayments could be made on any principal payment date – see section captioned "Prepayment Provisions".

\* The City would covenant in the Loan Agreement to use the receipts from the anticipated federal grants related to the Project solely to repay this Note.

\* We reserve the right to make any other additions and or changes to the documentation as we think appropriate.

Required Accounts at Hancock Bank: Pursuant to the City's RFP (and draft documents attached thereto) the City would be required to set up various accounts related to the issuance of the Note (e.g., Revenue Fund, Sinking Fund, Project Fund). Hancock Bank would not require that any accounts be set up at our bank in conjunction with this loan. However, should the City consider setting up bank accounts at our Bank in conjunction with this loan, we would be more than happy to offer to the City a very attractive interest rate on any needed accounts.

As we appreciate the language in the draft of the Loan Agreement submitted with the City's RFP, the City would be required to make monthly deposits into the Sinking Fund. The deposits would be made from the Revenue Fund after payment has been made for all Costs of Operation and Maintenance of the Airport Facilities i.e., the "Net Revenues" from Airport operations would be deposited monthly into the Sinking Fund. We would further require that should the "Net Revenues" not be sufficient to make the required proportionate monthly deposits (1/6 of interest and 1/12 of principal) we would require the City to deposit from other legally available non ad valorem revenues sufficient funds each month into the Sinking Fund to meet the next upcoming interest and principal payments.

Documentation: All documentation would need to be acceptable to the Bank. We understand that the City will utilize the services of *Livermore, Freeman & McWilliams P.A.* as "Bond Counsel". Bond Counsel would draft all documents and issue the customary legal and tax opinion for this type of transaction. The legal and tax opinion would need to be acceptable to the Bank in form and content. We would require some modification to the documents as presented with the City's RFP. We will work closely with Bond Counsel to modify the draft documents submitted with the City's RFP (loan agreement, note, etc.) to the satisfaction of the City, Bond Council and the Bank. The Bank will need to approve all documentation prior to adoption or execution by the City.

Closing costs, fees and expenses: The bank would charge no fees and assess no closing costs for this transaction. However, we understand that the City would pick up all legal costs related to the work of Bond Counsel and Local Counsel.

Tax Status of the Note: The interest rate offered is predicated upon the Note being designed federally taxable obligation.

Delivery: As soon as possible after all approvals, but in any event the loan would be closed no later than 45 days from the date of this proposal in order for us to hold firm the quoted fixed rate of interest.

This proposal shall remain valid for a period of 60 days provided the City's Governing Body accepts this proposal within 15 days from the date of this letter.

Yours very truly,

**HANCOCK BANK OF FLORIDA**

By:

  
Steven E. Cole  
Senior Vice President  
Public Finance Department

**Accepted and Approved:**

The Governing Body of the City of Palatka has accepted this Financing Proposal from Hancock Bank of Florida and hereby selects Hancock Bank of Florida to finance the above referenced Project.

Approved and accepted: As of this the \_\_\_\_\_ day of \_\_\_\_\_ 2008.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(a),  
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER  
OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to City of Palatka, Florida  
(print name of the public entity)  
by Steven E. Cole, Senior Vice President  
(print individual's name & title)  
for Hancock Bank of Florida  
(print name of company submitting sworn statement)  
whose business address is 1706 West Tennessee Street  
Tallahassee, Florida 32304  
and (if applicable) its Federal Employer Identification Number (FEIN) is 20-0861045  
(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn  
statement: N/A)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services, any lease for real property, or any contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
- A predecessor or successor of a person convicted of a public entity crime; or
  - An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or any entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (indicate which statement applies)

Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH I (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.107, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

*Steven E. Cole*  
(signature)  
9/4/08  
(date)

STATE OF AL  
COUNTY OF Deale

PERSONALLY APPEARED BEFORE ME, the undersigned authority,

Steven E. Cole who, after first being sworn by me, affixed his/her signature  
(name of individual signing)

in the space provided above on this 4th day of Sept, 2008.

*Sherill Cole*  
(NOTARY PUBLIC)

My commission expires:

~~My Commission Expires November 16, 2008~~

# DRUG-FREE WORKPLACE FORM

The undersigned vendor, in accordance with Florida Statute 287.087 hereby certifies that

Hancock Bank of Florida does:  
(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 1893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

  
Bidder's Signature

9/4/08  
Date

APPENDIX A  
REQUEST FOR PROPOSAL

\$1,250,000  
CITY OF PALATKA, FLORIDA  
TAX-EXEMPT AIRPORT REVENUE NOTE

1. Name and Address of Bidder: Hancock Bank of Florida \*  
1706 W. Tennessee Street  
Tallahassee, Florida 32304
2. Contact Person of Bidder: Steven E. Cole  
Title: Senior Vice President  
Phone #: 904-591-7452  
Fax #: 904-782-8024
3. Expenses to be paid by City: the Bank makes charge ~~no~~ fees - see  
a check proposal letter.
- | <u>Item</u>             | <u>Cost</u>           |
|-------------------------|-----------------------|
| 4. Interest Rate: Fixed | <u>4.69 *</u>         |
| Signature of Bidder     | <u>Steven E. Cole</u> |
| Date                    | <u>9/12/08</u>        |

\* The terms and conditions outlined in the  
following proposal letter are hereby incorporated  
into this offering.

RECEIVED  
SEP 12 2008  
BY: 12:57 PM



VIA E-MAIL

September 12, 2008

Honorable Mayor and City Commission  
City of Palatka, Florida

C/o Ms. Ruby Williams  
Finance Director  
City of Palatka

Mr. Dan U. Livermore, Jr.  
Livermore, Freeman & McWilliams, P. A.

Re: Not to exceed \$1,250,000.00 Tax-Exempt Airport Revenue Note, Series 2008  
City of Palatka's Request for Proposal (RFP) letter of August 28, 2008

Dear Ruby and Dan:

Please accept this letter as a commitment of the undersigned to purchase the above captioned Note upon the terms and conditions outlined below:

Issuer: City of Palatka, Florida.

Amount: \$1,250,000.00 maximum in aggregate principal amount in the form of revenue note (the "Note") of the Issuer.

Purpose of Issue: Proceeds of the Note will be used to finance a new terminal at the City's airport facilities and to pay the cost of issuance (the "Project").

Authority for Issue: Provisions of the Florida Constitution, the Charter of the City of Palatka, Florida, as amended; Chapter 166, Part II of the Florida Statutes, and any other valid constitutional and statutory authority.

Dated Date of Note - Date of Delivery

Form of Certificates: The Note will be issued as a single typewritten or printed certificate, in fully registered form.

Interest Rate & Term: The City, through its RFP, has requested that the loan be amortized over a fifteen (15) year period of time. The City has further requested that the principal be payable annually utilizing 15 equal payments of principal on each anniversary date as outlined in its RFP:

<u>Principal Payment Term</u>	<u>Annual Interest Rate **</u>
15 equal annual installments of principal	<b>4.69% fixed</b>

\*\* Hancock Bank will hold the quoted fixed rate firm provided the City accepts our proposal within 15 days and the loan is closed within 45 days from the date of this proposal. Should the closing of the loan exceed the 45 day time frame, the interest rate could be adjusted higher based on the then current market conditions.

Interest Payments: Interest would be paid semi-annually with the first interest payment commencing 6 months from the dated date (closing date) of the Note.

Prepayment Provisions: The principal may be prepaid in whole on any date with 10 days advance written notice to the Bank *without prepayment penalty*. Principal may be prepaid in part on any principal payment day with 10 days advance written notice to the Bank *without prepayment penalty*, provided that the City pays all accrued interest which shall have accrued to the date of prepayment. Principal prepayments attributable to "grant revenues" (as defined in the City's RFP) will be applied to reduce all remaining principal installments equally. If Grant revenues are received by the City (in an amount that would not be a full payoff amount on the loan) on a day that is not a principal payment day, the City will hold said grant receipts in trust until it applies the grant revenues on the next principal payment day. Principal prepayments from sources other than grant revenues will apply to those principal installments with the latest maturities on the Note, in inverse order.

Credit Approval: Already approved.

Security: The Loan will be secured by a first lien pledge and dedication of the Net Revenues from the Airport Facilities' operation and any federal grant revenues received related to the Project. The City would also covenant to budget and appropriate from all legally available revenues and taxes (other than ad valorem taxes) of the City derived from any source whatsoever, subject only to the payment of debt secured by a lien on specific revenues and the requirement that the City fund essential governmental services (the City will not otherwise be entitled to fail to budget and appropriate debt service in order to balance its budget). Such covenant to budget and appropriate shall be cumulative to the extent not paid, and shall continue until such non-ad valorem revenues and taxes in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid.

Additional Debt: The City will not incur additional debt secured by a lien on all or a portion of the legally available non ad valorem revenues or by a covenant to budget and appropriate unless it shall certify that the legally available non ad valorem revenues, after provision for essential governmental service and payment of all debt secured by all or a portion of the legally available non ad valorem revenues, is no less than 1.30 times the maximum annual debt service on all debt secured by a covenant to budget and appropriate legally available non ad valorem revenues.

Additions and/or required changes to the draft documents submitted with the City's RFP

\* Please see our language under sections above captioned "Security" and "Additional Debt". We would want to modify (from the draft Loan Agreement and Note) some of the "security" language to a form that would be acceptable to the Bank and the City.

\* Partial prepayments could be made on any principal payment date – see section captioned "Prepayment Provisions".

\* The City would covenant in the Loan Agreement to use the receipts from the anticipated federal grants related to the Project solely to repay this Note.

\* Any proceeds in excess of \$50,000 from the sale, lease or disposal otherwise of Facilities would be used to reduce the Note's principal balance in accordance with the prepayment provisions outlined.

\* We reserve the right to make any other additions and or changes to the documentation as we think appropriate.

Required Accounts at Hancock Bank: Pursuant to the City's RFP (and draft documents attached thereto) the City would be required to set up various accounts related to the issuance of the Note (e.g., Revenue Fund, Sinking Fund, Project Fund). Hancock Bank would not require that any accounts be set up at our bank in conjunction with this loan. However, should the City consider setting up bank accounts at our Bank in conjunction with this loan, we would be more than happy to offer to the City a very attractive interest rate on any needed accounts.

As we appreciate the language in the draft of the Loan Agreement submitted with the City's RFP, the City would be required to make monthly deposits into the Sinking Fund. The deposits would be made from the Revenue Fund after payment has been made for all Costs of Operation and Maintenance of the Airport Facilities i.e., the "Net Revenues" from Airport operations would be deposited monthly into the Sinking Fund. We would further require that should the "Net Revenues" not be sufficient to make the required proportionate monthly deposits (1/6 of interest and 1/12 of principal) we would require the City to deposit from other legally available non ad valorem revenues sufficient funds each month into the Sinking Fund to meet the next upcoming interest and principal payments.

Documentation: All documentation would need to be acceptable to the Bank. We understand that the City will utilize the services of *Livermore, Freeman & McWilliams P.A.* as "Bond Counsel". Bond Counsel would draft all documents and issue the customary legal and tax opinion for this type of transaction. The legal and tax opinion would need to be acceptable to the Bank in form and content. We would require some modification to the documents as presented with the City's RFP. We will work closely with Bond Counsel to modify the draft documents submitted with the City's RFP (loan agreement, note, etc.) to the satisfaction of the City, Bond Council and the Bank. The Bank will need to approve all documentation prior to adoption or execution by the City.

Closing costs, fees and expenses: The bank would charge no fees and assess no closing costs for this transaction. However, we understand that the City would pick up all legal costs related to the work of Bond Counsel and Local Counsel.

Tax Status of the Note: The interest rate offered is predicated upon the Note being designed as a qualified tax exempt obligation pursuant to section 265 (b)(3) of the Internal Revenue Service Code, as amended.

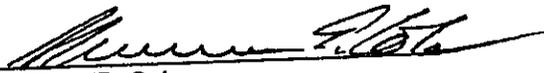
Delivery: As soon as possible after all approvals, but in any event the loan would be closed no later than 45 days from the date of this proposal in order for us to hold firm the quoted fixed rate of interest.

This proposal shall remain valid for a period of 60 days provided the City's Governing Body accepts this proposal within 15 days from the date of this letter.

Yours very truly,

**HANCOCK BANK OF FLORIDA**

By:

  
Steven E. Cole  
Senior Vice President  
Public Finance Department

**Accepted and Approved:**

The Governing Body of the City of Palatka has accepted this Financing Proposal from Hancock Bank of Florida and hereby selects Hancock Bank of Florida to finance the above referenced Project.

Approved and accepted: As of this the \_\_\_\_\_ day of \_\_\_\_\_ 2008.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(a),  
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER  
OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to City of Palatka, Florida  
(print name of the public entity)  
by Steven E. Cole; Senior Vice President  
(print individual's name & title)  
for Hancock Bank of Florida  
(print name of company submitting sworn statement)  
whose business address is 1706 West Tennessee Street  
Tallahassee, Florida 32304  
and (if applicable) its Federal Employer Identification Number (FEIN) is 20-0861045  
(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn  
statement: N/A)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services, any lease for real property, or any contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

- a. A predecessor or successor of a person convicted of a public entity crime; or
- b. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or any entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Indicate which statement applies)

Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.107, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

[Signature]  
(signature)  
9/4/08  
(date)

STATE OF AL  
COUNTY OF Date

PERSONALLY APPEARED BEFORE ME, the undersigned authority,

Steven E. Cole who, after first being sworn by me, affixed his/her signature  
(name of individual signing)

in the space provided above on this 4th day of Sept, 20 08.

[Signature]  
(NOTARY PUBLIC)

My commission expires:

My Commission Expires November 15, 2010  
Form PUR 7088 (Rev. 08/06/01)

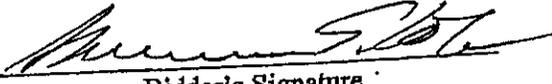
## DRUG-FREE WORKPLACE FORM

The undersigned vendor, in accordance with Florida Statute 287.087 hereby certifies that

Harlock Bank of Florida does:  
(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 1893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

  
Bidder's Signature

9/4/08  
Date



September 12, 2008

Ms. Ruby Williams  
Finance Director  
City of Palatka  
201 N. Second Street  
Palatka, FL 32177

Dear Ms. Williams:

We appreciate the opportunity to provide you with terms for a \$750,000 Taxable Airport Revenue Note and a \$1,700,000 Taxable Golf Course Revenue Note. We are unable to bid the tax-exempt portion of the RFP because we are accessing a pool of funds for this loan, in an effort to provide the City with a 15-year fixed rate, that does not allow for tax-exempt structures. The terms and conditions are set forth below:

<b>Amount of Loan 1:</b>	<b>\$750,000 TAXABLE Airport Revenue Note</b>
<b>Amount of Loan 2</b>	<b>\$1,700,000 TAXABLE Golf Course Revenue Note</b>
<b>Term of Loans 1 &amp; 2:</b>	Fifteen year amortization with interest due semi-annually beginning April 1, 2008. Principal due in 15 annual installments of \$50,000 for loan 1 and \$113,333.33 for loan 2 each beginning October 1, 2008.
<b>Rate:</b>	6.53% fixed for 15 years. The rate will be the same for loans 1 & 2. Please note that this is a taxable rate.
<b>Security:</b>	<b>Loan 1:</b> Pledge of net revenues of airport and proceeds of Federal grants secured by the City for the Airport Project. <b>Loan 2:</b> Pledge of net revenues from operations of golf course activities.

*Both loans will have a covenant to budget and appropriate from non-ad valorem revenues of the General Fund.*

**Prepayment penalty:** None

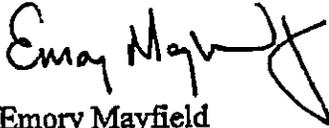
**Fees:** None

**RECEIVED**  
SEP 12 2008

BY: 11.32. AM

Capital City Bank will also require that both notes for these loans be amended to constitute a general obligation, or a pledge of the faith, credit, or taxing power, of the City of Palatka. Please be advised that these rates and terms expire in 45 days. The rate and terms will also be subject to review of financial information on the City of Palatka by Capital City Bank's Credit Committee. I will be more than happy to review the proposal with you and may be reached at 850.402.7965.

With kindest regards,



Emory Mayfield  
Senior Vice President, Institutional Banking

CC: Greg Walker, Community President

APPENDIX A  
REQUEST FOR PROPOSAL

\$1,250,000  
CITY OF PALATKA, FLORIDA  
TAX-EXEMPT AIRPORT REVENUE NOTE

1. Name and Address of Bidder: Compass Bank  
10060 Skinner Lake Drive  
Jacksonville, FL 32246
2. Contact Person of Bidder: Brian Gibson  
Title: Vice President  
Phone #: 904-564-8614  
Fax #: 904-564-8906
3. Expenses to be paid by City: No bank fee; borrower responsible  
for any third party fees
- | <u>Item</u>             | <u>Cost</u>             |
|-------------------------|-------------------------|
| 4. Interest Rate: Fixed | <u>4.99%</u>            |
| Signature of Bidder     | <u><i>B. Gibson</i></u> |
| Date                    | <u>9/5/08</u>           |

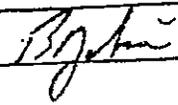
RECEIVED  
SEP 05 2008

BY:.....

APPENDIX A  
REQUEST FOR PROPOSAL

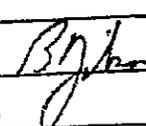
\$750,000  
CITY OF PALATKA, FLORIDA  
TAXABLE AIRPORT REVENUE NOTE

1. Name and Address of Bidder: Compass Bank  
10060 Skinner Lake Drive  
Jacksonville, FL 32246
2. Contact Person of Bidder: Brian Gibson  
Title: Vice President  
Phone #: 904-564-8614  
Fax #: 904-564-8906
3. Expenses to be paid by City: No bank fee; borrower responsible  
for any third party fees
4. 

<u>Item</u>	<u>Cost</u>
Interest Rate: Fixed	<u>7.20%</u>
Signature of Bidder	<u></u>
Date	<u>9/5/08</u>

APPENDIX A  
REQUEST FOR PROPOSAL

\$1,700,000  
CITY OF PALATKA, FLORIDA  
TAXABLE GOLF COURSE REVENUE NOTE

1. Name and Address of Bidder: Compass Bank  
10060 Skinner Lake Drive  
Jacksonville, FL 32246
2. Contact Person of Bidder: Brian Gibson  
Title: Vice President  
Phone #: 904-564-8614  
Fax #: 904-564-8906
3. Expenses to be paid by City: No bank fee; borrower responsible  
for any third party fees
- | <u>Item</u>             | <u>Cost</u>  |
|-------------------------|--|
| 4. Interest Rate: Fixed | <u>7.10%</u>   |
| Signature of Bidder     | <u></u> |
| Date                    | <u>9/5/08</u>  |

# DRUG-FREE WORKPLACE FORM

The undersigned vendor, in accordance with Florida Statute 287.087 hereby certifies that

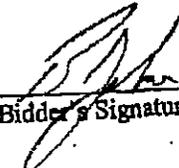
COMPASS BANK

does:

(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 1893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

  
Bidder's Signature

9/5/08

Date

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(a),  
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER  
OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to City of Palatka  
(print name of the public entity)  
by Brian Gibson, Vice President  
(print individual's name & title)  
for Compass Bank  
(print name of company submitting sworn statement)  
whose business address is 10060 Skinner Lake Drive  
Jacksonville, FL . 32246  
and (if applicable) its Federal Employer Identification Number (FEIN) is 63-0476286  
(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn  
statement: \_\_\_\_\_)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services, any lease for real property, or any contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
- A predecessor or successor of a person convicted of a public entity crime; or
  - An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or any entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Indicate which statement applies)

Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.107, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

B. Gibson  
(signature)  
9/5/08  
(date)

STATE OF FLORIDA

COUNTY OF DUVAL

PERSONALLY APPEARED BEFORE ME, the undersigned authority,

Brian Gibson who, after first being sworn by me, affixed his/her signature  
(name of individual signing)

in the space provided above on this 5th day of September, 20 08

Catherine Hillis  
(NOTARY PUBLIC)

My commission expires:



# PROSPERITY BANK

*Welcome Home*

---

September 12, 2008

City of Palatka  
c/o Ruby Williams, Finance Director  
201 North Second Street  
Palatka, Florida 32177

RE: Request for Proposal

Dear Ms. Williams:

Enclosed please find two Request for Proposals. The first is for \$750,000.00 Taxable Airport Revenue Note, the second for \$1,700,000.00 Taxable Golf Course Revenue Note. Please note we did not include a proposal for the third request because we do not have the capabilities of accommodating that type of loan.

Upon your review of these Request for Proposals you find you have questions, do not hesitate to contact me directly at (386) 328-5154. I look forward to hearing from you soon.

Sincerely,



Lynette Ryan  
Vice President  
Prosperity Bank  
601 Reid Street  
Palatka, Florida 32177  
(386) 328-5154  
[Lryan@prosperitybank.com](mailto:Lryan@prosperitybank.com)

cc: Daniel U. Livermore, Jr.  
Livermore, Freeman & McWilliams, P.A.

REQUEST FOR PROPOSAL  
\$750,000  
CITY OF PALATKA, FLORIDA  
TAXABLE AIRPORT REVENUE NOTE

1. Name and Address of Bidder: Prosperity Bank  
601 Reid St.  
Palatka, Fla. 32177
2. Contact Person of Bidder: Lynette Ryan  
Title: Vice President  
Phone #: 386-328-5154 Ext 1308  
Fax #: 386-325-0845  
lryan@prosperitybank.com

3. Expenses to be paid by City:

<u>Item</u>	<u>Cost</u>
Legal Counsel Review of Documents Upchurch, Bailey & Upchurch	1,000.00
Bank Fee: \$ ½% or	

4. Interest Rate:

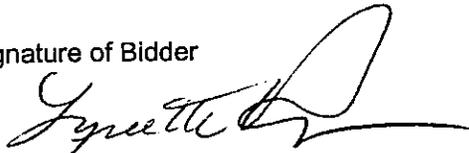
Fixed Interest Rate Term			
3 Year	5 Year	10 Year	15 Year
6.53%	6.82%	7.21%	7.30%

Based on 15 Year Amortization

5. Term: 15 year term, with annually principal payments and semi-annual interest payments

August 28<sup>th</sup>, the City informed Prosperity Bank the City of Palatka is requesting an RFP to provide financing for the City Aircraft Hangers. If this proposal is accepted by the City, Prosperity Bank can convert this RFP response to a formal Commitment Letter within 30 days.

Signature of Bidder



Date

September 5, 2008

REQUEST FOR PROPOSAL  
\$1,700,000  
CITY OF PALATKA, FLORIDA  
TAXABLE GOLF COURSE REVENUE NOTE

1. Name and Address of Bidder: Prosperity Bank  
601 Reid St.  
Palatka, Fla. 32177
2. Contact Person of Bidder: Lynette Ryan  
Title: Vice President  
Phone #: 386-328-5154 Ext 1308  
Fax #: 386-325-0845  
lryan@prosperitybank.com

3. Expenses to be paid by City:

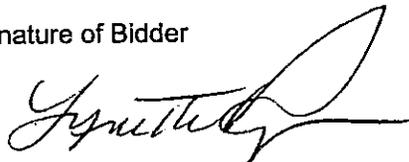
<u>Item</u>	<u>Cost</u>
Legal Counsel Review of Documents Upchurch, Bailey & Upchurch	1,000.00
Bank Fee: \$ ½% or	

4. Interest Rate: Fixed Interest Rate Term
- |        |        |         |         |
|--------|--------|---------|---------|
| 3 Year | 5 Year | 10 Year | 15 Year |
| 6.53%  | 6.82%  | 7.21%   | 7.30%   |
- Based on 15 Year Amortization

5. Term: 15 year term, with annually principal payments and semi-annual interest payments

August 28<sup>th</sup>, the City informed Prosperity Bank the City of Palatka is requesting an RFP to provide financing for the City Golf Course. If this proposal is accepted by the City, Prosperity Bank can convert this RFP response to a formal Commitment Letter within 30 days.

Signature of Bidder



Date

September 5, 2008

## DRUG-FREE WORKPLACE FORM

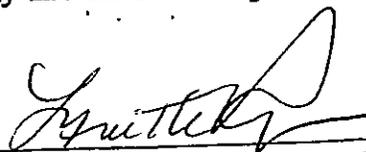
The undersigned vendor, in accordance with Florida Statute 287.087 hereby certifies that

Prosperity Bank does:

(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 1893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.



Bidder's Signature

September 5, 2008

Date

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(a),  
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to City of Palatka  
(print name of the public entity)
- by Lynette Ryan, Vice President  
(print individual's name & title)
- for Prosperity Bank  
(print name of company submitting sworn statement)
- whose business address is 601 Reid Street, Palatka, Florida 32177
- and (if applicable) its Federal Employer Identification Number (FEIN) is 59-2324433
- (If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement: \_\_\_\_\_.)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services, any lease for real property, or any contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
- a. A predecessor or successor of a person convicted of a public entity crime; or
  - b. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or any entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (indicate which statement applies)

\_\_\_\_ Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.107, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

*Lynette Ryan*  
(signature)  
9/15/2008  
(date)

STATE OF Florida  
COUNTY OF Putnam

PERSONALLY APPEARED BEFORE ME, the undersigned authority,

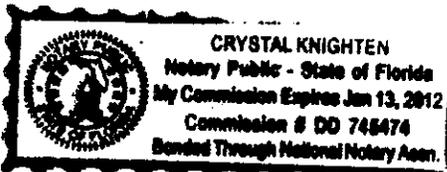
Lynette Ryan who, after first being sworn by me, affixed his/her signature  
(name of individual signing)

in the space provided above on this 5th day of September, 2008

*Crystal Knighten*  
(NOTARY PUBLIC)

My commission expires:

Form PJR 7088 (Rev. 08/06/01)



9/16/08 9:17:45  
(CR20035)

C/R SYSTEM Page: 1  
Daily Register Summary Batch Report - By Receipt #  
MAIL RECEIPTS 09/16/08 SW

Batch #: 22574 192 Receipts Processed.

=====

Cash	\$ .00	
Less Change Received	\$ .00	\$ .00
Check		\$44,607.89
		-----
Money Received		\$44,607.89
		=====

\* \* \* \* \* END OF REPORT \* \* \* \* \*

CITY OF PALATKA, FLORIDA

\$1,250,000

Tax-Exempt Airport Revenue Note, Series 2008

Summary of Bank Loan Responses

	<b>SunTrust</b> <u>4.39%</u>	<b>Hancock</b> <u>4.69%</u>	<b>Compass</b> <u>4.99%</u>
Total Debt Service	\$1,635,344	\$1,661,678	\$1,688,011
Project Fund	\$1,246,500	\$1,250,000	\$1,250,000
All-In True Interest Cost	4.4395%	4.6902%	4.9902%
Legal Fees	\$3,500	-0-	-0-
Prepayment Penalty	No	No	No

SOURCES AND USES OF FUNDS

City of Palatka, Florida  
Airport Revenue Note, Series 2008  
SunTrust Bank  
4.39%  
15-Year Amortization  
Level Annual Principal Payment

Sources:

---

Bond Proceeds:	
Par Amount	1,250,000.00
	<hr/>
	1,250,000.00

---

Uses:

---

Delivery Date Expenses:	
Legal Fee	3,500.00
Other Uses of Funds:	
Additional Proceeds	1,246,500.00
	<hr/>
	1,250,000.00

---

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Airport Revenue Note, Series 2008  
 SunTrust Bank  
 4.39%  
 15-Year Amortization  
 Level Annual Principal Payment

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	4.439498%
True Interest Cost (TIC)	4.439498%
Net Interest Cost (NIC)	4.390000%
All-In TIC	4.439498%
Average Coupon	4.390000%
Average Life (years)	7.022
Duration of Issue (years)	5.790
Par Amount	1,250,000.00
Bond Proceeds	1,250,000.00
Total Interest	385,344.44
Net Interest	385,344.44
Total Debt Service	1,635,344.44
Maximum Annual Debt Service	134,549.99
Average Annual Debt Service	116,625.20
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	1,250,000.00	100.000	4.390%	7.022
	1,250,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,250,000.00	1,250,000.00	1,250,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts	-3,500.00	-3,500.00	-3,500.00
Target Value	1,246,500.00	1,246,500.00	1,246,500.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	4.439498%	4.439498%	4.439498%

BOND DEBT SERVICE

City of Palatka, Florida  
 Airport Revenue Note, Series 2008  
 SunTrust Bank  
 4.39%  
 15-Year Amortization  
 Level Annual Principal Payment

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	83,333.33	4.390%	1,219.44	84,552.77	84,552.77
04/01/2009			25,608.33	25,608.33	
10/01/2009	83,333.33	4.390%	25,608.33	108,941.66	134,549.99
04/01/2010			23,779.17	23,779.17	
10/01/2010	83,333.33	4.390%	23,779.17	107,112.50	130,891.67
04/01/2011			21,950.00	21,950.00	
10/01/2011	83,333.33	4.390%	21,950.00	105,283.33	127,233.33
04/01/2012			20,120.83	20,120.83	
10/01/2012	83,333.33	4.390%	20,120.83	103,454.16	123,574.99
04/01/2013			18,291.67	18,291.67	
10/01/2013	83,333.33	4.390%	18,291.67	101,625.00	119,916.67
04/01/2014			16,462.50	16,462.50	
10/01/2014	83,333.33	4.390%	16,462.50	99,795.83	116,258.33
04/01/2015			14,633.33	14,633.33	
10/01/2015	83,333.33	4.390%	14,633.33	97,966.66	112,599.99
04/01/2016			12,804.17	12,804.17	
10/01/2016	83,333.33	4.390%	12,804.17	96,137.50	108,941.67
04/01/2017			10,975.00	10,975.00	
10/01/2017	83,333.33	4.390%	10,975.00	94,308.33	105,283.33
04/01/2018			9,145.83	9,145.83	
10/01/2018	83,333.34	4.390%	9,145.83	92,479.17	101,625.00
04/01/2019			7,316.67	7,316.67	
10/01/2019	83,333.34	4.390%	7,316.67	90,650.01	97,966.68
04/01/2020			5,487.50	5,487.50	
10/01/2020	83,333.34	4.390%	5,487.50	88,820.84	94,308.34
04/01/2021			3,658.33	3,658.33	
10/01/2021	83,333.34	4.390%	3,658.33	86,991.67	90,650.00
04/01/2022			1,829.17	1,829.17	
10/01/2022	83,333.34	4.390%	1,829.17	85,162.51	86,991.68
	1,250,000.00		385,344.44	1,635,344.44	1,635,344.44

**BOND DEBT SERVICE**

City of Palatka, Florida  
 Airport Revenue Note, Series 2008  
 SunTrust Bank  
 4.39%  
 15-Year Amortization  
 Level Annual Principal Payment

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	83,333.33	4.390%	1,219.44	84,552.77
10/01/2009	83,333.33	4.390%	51,216.66	134,549.99
10/01/2010	83,333.33	4.390%	47,558.34	130,891.67
10/01/2011	83,333.33	4.390%	43,900.00	127,233.33
10/01/2012	83,333.33	4.390%	40,241.66	123,574.99
10/01/2013	83,333.33	4.390%	36,583.34	119,916.67
10/01/2014	83,333.33	4.390%	32,925.00	116,258.33
10/01/2015	83,333.33	4.390%	29,266.66	112,599.99
10/01/2016	83,333.33	4.390%	25,608.34	108,941.67
10/01/2017	83,333.33	4.390%	21,950.00	105,283.33
10/01/2018	83,333.34	4.390%	18,291.66	101,625.00
10/01/2019	83,333.34	4.390%	14,633.34	97,966.68
10/01/2020	83,333.34	4.390%	10,975.00	94,308.34
10/01/2021	83,333.34	4.390%	7,316.66	90,650.00
10/01/2022	83,333.34	4.390%	3,658.34	86,991.68
	<b>1,250,000.00</b>		<b>385,344.44</b>	<b>1,635,344.44</b>

SOURCES AND USES OF FUNDS

City of Palatka, Florida  
Airport Revenue Note, Series 2008  
Hancock Bank  
4.69%  
15-Year Amortization  
Level Annual Principal Payment

Sources:

Bond Proceeds:	
Par Amount	1,250,000.00
	<hr/>
	1,250,000.00
	<hr/>

Uses:

Other Uses of Funds:	
Additional Proceeds	1,250,000.00
	<hr/>
	1,250,000.00
	<hr/>

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Airport Revenue Note, Series 2008  
 Hancock Bank  
 4.69%  
 15-Year Amortization  
 Level Annual Principal Payment

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	4.690205%
True Interest Cost (TIC)	4.690205%
Net Interest Cost (NIC)	4.690000%
All-In TIC	4.690205%
Average Coupon	4.690000%
Average Life (years)	7.022
Duration of Issue (years)	5.745
Par Amount	1,250,000.00
Bond Proceeds	1,250,000.00
Total Interest	411,677.78
Net Interest	411,677.78
Total Debt Service	1,661,677.78
Maximum Annual Debt Service	138,049.99
Average Annual Debt Service	118,503.17
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	1,250,000.00	100.000	4.690%	7.022
	1,250,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,250,000.00	1,250,000.00	1,250,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	1,250,000.00	1,250,000.00	1,250,000.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	4.690205%	4.690205%	4.690205%

BOND DEBT SERVICE

City of Palatka, Florida  
 Airport Revenue Note, Series 2008  
 Hancock Bank  
 4.69%  
 15-Year Amortization  
 Level Annual Principal Payment

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	83,333.33	4.690%	1,302.78	84,636.11	84,636.11
04/01/2009			27,358.33	27,358.33	
10/01/2009	83,333.33	4.690%	27,358.33	110,691.66	138,049.99
04/01/2010			25,404.17	25,404.17	
10/01/2010	83,333.33	4.690%	25,404.17	108,737.50	134,141.67
04/01/2011			23,450.00	23,450.00	
10/01/2011	83,333.33	4.690%	23,450.00	106,783.33	130,233.33
04/01/2012			21,495.83	21,495.83	
10/01/2012	83,333.33	4.690%	21,495.83	104,829.16	126,324.99
04/01/2013			19,541.67	19,541.67	
10/01/2013	83,333.33	4.690%	19,541.67	102,875.00	122,416.67
04/01/2014			17,587.50	17,587.50	
10/01/2014	83,333.33	4.690%	17,587.50	100,920.83	118,508.33
04/01/2015			15,633.33	15,633.33	
10/01/2015	83,333.33	4.690%	15,633.33	98,966.66	114,599.99
04/01/2016			13,679.17	13,679.17	
10/01/2016	83,333.33	4.690%	13,679.17	97,012.50	110,691.67
04/01/2017			11,725.00	11,725.00	
10/01/2017	83,333.33	4.690%	11,725.00	95,058.33	106,783.33
04/01/2018			9,770.83	9,770.83	
10/01/2018	83,333.34	4.690%	9,770.83	93,104.17	102,875.00
04/01/2019			7,816.67	7,816.67	
10/01/2019	83,333.34	4.690%	7,816.67	91,150.01	98,966.68
04/01/2020			5,862.50	5,862.50	
10/01/2020	83,333.34	4.690%	5,862.50	89,195.84	95,058.34
04/01/2021			3,908.33	3,908.33	
10/01/2021	83,333.34	4.690%	3,908.33	87,241.67	91,150.00
04/01/2022			1,954.17	1,954.17	
10/01/2022	83,333.34	4.690%	1,954.17	85,287.51	87,241.68
	1,250,000.00		411,677.78	1,661,677.78	1,661,677.78

**BOND DEBT SERVICE**

City of Palatka, Florida  
 Airport Revenue Note, Series 2008  
 Hancock Bank  
 4.69%  
 15-Year Amortization  
 Level Annual Principal Payment

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	83,333.33	4.690%	1,302.78	84,636.11
10/01/2009	83,333.33	4.690%	54,716.66	138,049.99
10/01/2010	83,333.33	4.690%	50,808.34	134,141.67
10/01/2011	83,333.33	4.690%	46,900.00	130,233.33
10/01/2012	83,333.33	4.690%	42,991.66	126,324.99
10/01/2013	83,333.33	4.690%	39,083.34	122,416.67
10/01/2014	83,333.33	4.690%	35,175.00	118,508.33
10/01/2015	83,333.33	4.690%	31,266.66	114,599.99
10/01/2016	83,333.33	4.690%	27,358.34	110,691.67
10/01/2017	83,333.33	4.690%	23,450.00	106,783.33
10/01/2018	83,333.34	4.690%	19,541.66	102,875.00
10/01/2019	83,333.34	4.690%	15,633.34	98,966.68
10/01/2020	83,333.34	4.690%	11,725.00	95,058.34
10/01/2021	83,333.34	4.690%	7,816.66	91,150.00
10/01/2022	83,333.34	4.690%	3,908.34	87,241.68
	1,250,000.00		411,677.78	1,661,677.78

**SOURCES AND USES OF FUNDS**

City of Palatka, Florida  
Airport Revenue Note, Series 2008  
Compass Bank  
4.99%  
15-Year Amortization  
Level Annual Principal Payment

**Sources:**

---

<b>Bond Proceeds:</b>	
For Amount	1,250,000.00
	<hr/>
	1,250,000.00

---

**Uses:**

---

<b>Other Uses of Funds:</b>	
Additional Proceeds	1,250,000.00
	<hr/>
	1,250,000.00

---

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Airport Revenue Note, Series 2008  
 Compass Bank  
 4.99%  
 15-Year Amortization  
 Level Annual Principal Payment

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	4.990234%
True Interest Cost (TIC)	4.990234%
Net Interest Cost (NIC)	4.990000%
All-In TIC	4.990234%
Average Coupon	4.990000%
Average Life (years)	7.022
Duration of Issue (years)	5.677
Par Amount	1,250,000.00
Bond Proceeds	1,250,000.00
Total Interest	438,011.11
Net Interest	438,011.11
Total Debt Service	1,688,011.11
Maximum Annual Debt Service	141,549.99
Average Annual Debt Service	120,381.14
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	1,250,000.00	100.000	4.990%	7.022
	1,250,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,250,000.00	1,250,000.00	1,250,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	1,250,000.00	1,250,000.00	1,250,000.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	4.990234%	4.990234%	4.990234%

BOND DEBT SERVICE

City of Palatka, Florida  
 Airport Revenue Note, Series 2008  
 Compass Bank  
 4.99%  
 15-Year Amortization  
 Level Annual Principal Payment

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	83,333.33	4.990%	1,386.11	84,719.44	84,719.44
04/01/2009			29,108.33	29,108.33	
10/01/2009	83,333.33	4.990%	29,108.33	112,441.66	141,549.99
04/01/2010			27,029.17	27,029.17	
10/01/2010	83,333.33	4.990%	27,029.17	110,362.50	137,391.67
04/01/2011			24,950.00	24,950.00	
10/01/2011	83,333.33	4.990%	24,950.00	108,283.33	133,233.33
04/01/2012			22,870.83	22,870.83	
10/01/2012	83,333.33	4.990%	22,870.83	106,204.16	129,074.99
04/01/2013			20,791.67	20,791.67	
10/01/2013	83,333.33	4.990%	20,791.67	104,125.00	124,916.67
04/01/2014			18,712.50	18,712.50	
10/01/2014	83,333.33	4.990%	18,712.50	102,045.83	120,758.33
04/01/2015			16,633.33	16,633.33	
10/01/2015	83,333.33	4.990%	16,633.33	99,966.66	116,599.99
04/01/2016			14,554.17	14,554.17	
10/01/2016	83,333.33	4.990%	14,554.17	97,887.50	112,441.67
04/01/2017			12,475.00	12,475.00	
10/01/2017	83,333.33	4.990%	12,475.00	95,808.33	108,283.33
04/01/2018			10,395.83	10,395.83	
10/01/2018	83,333.34	4.990%	10,395.83	93,729.17	104,125.00
04/01/2019			8,316.67	8,316.67	
10/01/2019	83,333.34	4.990%	8,316.67	91,650.01	99,966.68
04/01/2020			6,237.50	6,237.50	
10/01/2020	83,333.34	4.990%	6,237.50	89,570.84	95,808.34
04/01/2021			4,158.33	4,158.33	
10/01/2021	83,333.34	4.990%	4,158.33	87,491.67	91,650.00
04/01/2022			2,079.17	2,079.17	
10/01/2022	83,333.34	4.990%	2,079.17	85,412.51	87,491.68
	1,250,000.00		438,011.11	1,688,011.11	1,688,011.11

BOND DEBT SERVICE

City of Palatka, Florida  
 Airport Revenue Note, Series 2008  
 Compass Bank  
 4.99%  
 15-Year Amortization  
 Level Annual Principal Payment

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	83,333.33	4.990%	1,386.11	84,719.44
10/01/2009	83,333.33	4.990%	58,216.66	141,549.99
10/01/2010	83,333.33	4.990%	54,058.34	137,391.67
10/01/2011	83,333.33	4.990%	49,900.00	133,233.33
10/01/2012	83,333.33	4.990%	45,741.66	129,074.99
10/01/2013	83,333.33	4.990%	41,583.34	124,916.67
10/01/2014	83,333.33	4.990%	37,425.00	120,758.33
10/01/2015	83,333.33	4.990%	33,266.66	116,599.99
10/01/2016	83,333.33	4.990%	29,108.34	112,441.67
10/01/2017	83,333.33	4.990%	24,950.00	108,283.33
10/01/2018	83,333.34	4.990%	20,791.66	104,125.00
10/01/2019	83,333.34	4.990%	16,633.34	99,966.68
10/01/2020	83,333.34	4.990%	12,475.00	95,808.34
10/01/2021	83,333.34	4.990%	8,316.66	91,650.00
10/01/2022	83,333.34	4.990%	4,158.34	87,491.68
	1,250,000.00		438,011.11	1,688,011.11

CITY OF PALATKA, FLORIDA

\$1,700,000

Taxable Golf Course Revenue Note, Series 2008

Summary of Bank Loan Responses

---

	<b>Capital City</b> <b><u>6.53%</u></b>	<b>SunTrust</b> <b><u>6.50%</u></b>	<b>Compass</b> <b><u>7.10%</u></b>	<b>Prosperity<sup>(1)</sup></b> <b><u>7.30%</u></b>
Total Debt Service	\$2,479,537	\$2,475,956	\$2,547,582	\$2,571,458
Project Fund	\$1,700,000	\$1,696,500	\$1,700,000	\$1,690,500
All-In True Interest Cost	6.5304%	6.5402%	7.1010%	7.4125%
Legal Fees	-0-	\$3,500	-0-	\$1,000
Prepayment Penalty	No	No	No	No

<sup>(1)</sup> Bank Fee of \$8,500

SOURCES AND USES OF FUNDS

City of Palatka, Florida  
Taxable Golf Course Revenue Note, Series 2008  
Capital City Bank  
6.53%  
15-Year Amortization  
Equal Principal Payments of \$113,333.33

Sources:

---

<b>Bond Proceeds:</b>	
Par Amount	1,700,000.00
	<hr/>
	1,700,000.00

---

Uses:

---

<b>Other Uses of Funds:</b>	
Additional Proceeds	1,700,000.00
	<hr/>
	1,700,000.00

---

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Capital City Bank  
 6.53%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	6.530427%
True Interest Cost (TIC)	6.530427%
Net Interest Cost (NIC)	6.530000%
All-In TIC	6.530427%
Average Coupon	6.530000%
Average Life (years)	7.022
Duration of Issue (years)	5.350
Par Amount	1,700,000.00
Bond Proceeds	1,700,000.00
Total Interest	779,536.89
Net Interest	779,536.89
Total Debt Service	2,479,536.89
Maximum Annual Debt Service	216,942.67
Average Annual Debt Service	176,829.10
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	1,700,000.00	100.000	6.530%	7.022
	1,700,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,700,000.00	1,700,000.00	1,700,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	1,700,000.00	1,700,000.00	1,700,000.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	6.530427%	6.530427%	6.530427%

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Capital City Bank  
 6.53%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	113,333.33	6.530%	2,466.89	115,800.22	115,800.22
04/01/2009			51,804.67	51,804.67	
10/01/2009	113,333.33	6.530%	51,804.67	165,138.00	216,942.67
04/01/2010			48,104.33	48,104.33	
10/01/2010	113,333.33	6.530%	48,104.33	161,437.66	209,541.99
04/01/2011			44,404.00	44,404.00	
10/01/2011	113,333.33	6.530%	44,404.00	157,737.33	202,141.33
04/01/2012			40,703.67	40,703.67	
10/01/2012	113,333.33	6.530%	40,703.67	154,037.00	194,740.67
04/01/2013			37,003.33	37,003.33	
10/01/2013	113,333.33	6.530%	37,003.33	150,336.66	187,339.99
04/01/2014			33,303.00	33,303.00	
10/01/2014	113,333.33	6.530%	33,303.00	146,636.33	179,939.33
04/01/2015			29,602.67	29,602.67	
10/01/2015	113,333.33	6.530%	29,602.67	142,936.00	172,538.67
04/01/2016			25,902.33	25,902.33	
10/01/2016	113,333.33	6.530%	25,902.33	139,235.66	165,137.99
04/01/2017			22,202.00	22,202.00	
10/01/2017	113,333.33	6.530%	22,202.00	135,535.33	157,737.33
04/01/2018			18,501.67	18,501.67	
10/01/2018	113,333.34	6.530%	18,501.67	131,835.01	150,336.68
04/01/2019			14,801.33	14,801.33	
10/01/2019	113,333.34	6.530%	14,801.33	128,134.67	142,936.00
04/01/2020			11,101.00	11,101.00	
10/01/2020	113,333.34	6.530%	11,101.00	124,434.34	135,535.34
04/01/2021			7,400.67	7,400.67	
10/01/2021	113,333.34	6.530%	7,400.67	120,734.01	128,134.68
04/01/2022			3,700.33	3,700.33	
10/01/2022	113,333.34	6.530%	3,700.33	117,033.67	120,734.00
	1,700,000.00		779,536.89	2,479,536.89	2,479,536.89

**BOND DEBT SERVICE**

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Capital City Bank  
 6.53%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	113,333.33	6.530%	2,466.89	115,800.22
10/01/2009	113,333.33	6.530%	103,609.34	216,942.67
10/01/2010	113,333.33	6.530%	96,208.66	209,541.99
10/01/2011	113,333.33	6.530%	88,808.00	202,141.33
10/01/2012	113,333.33	6.530%	81,407.34	194,740.67
10/01/2013	113,333.33	6.530%	74,006.66	187,339.99
10/01/2014	113,333.33	6.530%	66,606.00	179,939.33
10/01/2015	113,333.33	6.530%	59,205.34	172,538.67
10/01/2016	113,333.33	6.530%	51,804.66	165,137.99
10/01/2017	113,333.33	6.530%	44,404.00	157,737.33
10/01/2018	113,333.34	6.530%	37,003.34	150,336.68
10/01/2019	113,333.34	6.530%	29,602.66	142,936.00
10/01/2020	113,333.34	6.530%	22,202.00	135,535.34
10/01/2021	113,333.34	6.530%	14,801.34	128,134.68
10/01/2022	113,333.34	6.530%	7,400.66	120,734.00
	<b>1,700,000.00</b>		<b>779,536.89</b>	<b>2,479,536.89</b>

SOURCES AND USES OF FUNDS

City of Palatka, Florida  
Taxable Golf Course Revenue Note, Series 2008  
SunTrust Bank  
6.50%  
15-Year Amortization  
Equal Principal Payments of \$113,333.33

Sources:

---

Bond Proceeds:	
Par Amount	1,700,000.00
	<hr/>
	1,700,000.00

---

Uses:

---

Delivery Date Expenses:	
Legal Fees	3,500.00
Other Uses of Funds:	
Additional Proceeds	1,696,500.00
	<hr/>
	1,700,000.00

---

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 SunTrust Bank  
 6.50%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	6.540180%
True Interest Cost (TIC)	6.540180%
Net Interest Cost (NIC)	6.500000%
All-In TIC	6.540180%
Average Coupon	6.500000%
Average Life (years)	7.022
Duration of Issue (years)	5.339
Par Amount	1,700,000.00
Bond Proceeds	1,700,000.00
Total Interest	775,955.56
Net Interest	775,955.56
Total Debt Service	2,475,955.56
Maximum Annual Debt Service	216,466.67
Average Annual Debt Service	176,573.69
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	1,700,000.00	100.000	6.500%	7.022
	1,700,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,700,000.00	1,700,000.00	1,700,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts	-3,500.00	-3,500.00	-3,500.00
Target Value	1,696,500.00	1,696,500.00	1,696,500.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	6.540180%	6.540180%	6.540180%

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 SunTrust Bank  
 6.50%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	113,333.33	6.500%	2,455.56	115,788.89	115,788.89
04/01/2009			51,566.67	51,566.67	
10/01/2009	113,333.33	6.500%	51,566.67	164,900.00	216,466.67
04/01/2010			47,883.33	47,883.33	
10/01/2010	113,333.33	6.500%	47,883.33	161,216.66	209,099.99
04/01/2011			44,200.00	44,200.00	
10/01/2011	113,333.33	6.500%	44,200.00	157,533.33	201,733.33
04/01/2012			40,516.67	40,516.67	
10/01/2012	113,333.33	6.500%	40,516.67	153,850.00	194,366.67
04/01/2013			36,833.33	36,833.33	
10/01/2013	113,333.33	6.500%	36,833.33	150,166.66	186,999.99
04/01/2014			33,150.00	33,150.00	
10/01/2014	113,333.33	6.500%	33,150.00	146,483.33	179,633.33
04/01/2015			29,466.67	29,466.67	
10/01/2015	113,333.33	6.500%	29,466.67	142,800.00	172,266.67
04/01/2016			25,783.33	25,783.33	
10/01/2016	113,333.33	6.500%	25,783.33	139,116.66	164,899.99
04/01/2017			22,100.00	22,100.00	
10/01/2017	113,333.33	6.500%	22,100.00	135,433.33	157,533.33
04/01/2018			18,416.67	18,416.67	
10/01/2018	113,333.34	6.500%	18,416.67	131,750.01	150,166.68
04/01/2019			14,733.33	14,733.33	
10/01/2019	113,333.34	6.500%	14,733.33	128,066.67	142,800.00
04/01/2020			11,050.00	11,050.00	
10/01/2020	113,333.34	6.500%	11,050.00	124,383.34	135,433.34
04/01/2021			7,366.67	7,366.67	
10/01/2021	113,333.34	6.500%	7,366.67	120,700.01	128,066.68
04/01/2022			3,683.33	3,683.33	
10/01/2022	113,333.34	6.500%	3,683.33	117,016.67	120,700.00
	1,700,000.00		775,955.56	2,475,955.56	2,475,955.56

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 SunTrust Bank  
 6.50%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	113,333.33	6.500%	2,455.56	115,788.89
10/01/2009	113,333.33	6.500%	103,133.34	216,466.67
10/01/2010	113,333.33	6.500%	95,766.66	209,099.99
10/01/2011	113,333.33	6.500%	88,400.00	201,733.33
10/01/2012	113,333.33	6.500%	81,033.34	194,366.67
10/01/2013	113,333.33	6.500%	73,666.66	186,999.99
10/01/2014	113,333.33	6.500%	66,300.00	179,633.33
10/01/2015	113,333.33	6.500%	58,933.34	172,266.67
10/01/2016	113,333.33	6.500%	51,566.66	164,899.99
10/01/2017	113,333.33	6.500%	44,200.00	157,533.33
10/01/2018	113,333.34	6.500%	36,833.34	150,166.68
10/01/2019	113,333.34	6.500%	29,466.66	142,800.00
10/01/2020	113,333.34	6.500%	22,100.00	135,433.34
10/01/2021	113,333.34	6.500%	14,733.34	128,066.68
10/01/2022	113,333.34	6.500%	7,366.66	120,700.00
	1,700,000.00		775,955.56	2,475,955.56

**SOURCES AND USES OF FUNDS**

City of Palatka, Florida  
Taxable Golf Course Revenue Note, Series 2008  
Compass Bank  
7.10%  
15-Year Amortization  
Equal Principal Payments of \$113,333.33

Sources:

---

<b>Bond Proceeds:</b>	
Par Amount	1,700,000.00
	<hr/>
	1,700,000.00

---

---

Uses:

---

<b>Other Uses of Funds:</b>	
Additional Proceeds	1,700,000.00
	<hr/>
	1,700,000.00

---

---

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Compass Bank  
 7.10%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	7.100516%
True Interest Cost (TIC)	7.100516%
Net Interest Cost (NIC)	7.100000%
All-In TIC	7.100516%
Average Coupon	7.100000%
Average Life (years)	7.022
Duration of Issue (years)	5.237
Par Amount	1,700,000.00
Bond Proceeds	1,700,000.00
Total Interest	847,582.22
Net Interest	847,582.22
Total Debt Service	2,547,582.22
Maximum Annual Debt Service	225,986.67
Average Annual Debt Service	181,681.77
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	1,700,000.00	100.000	7.100%	7.022
	1,700,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,700,000.00	1,700,000.00	1,700,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	1,700,000.00	1,700,000.00	1,700,000.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	7.100516%	7.100516%	7.100516%

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Compass Bank  
 7.10%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	113,333.33	7.100%	2,682.22	116,015.55	116,015.55
04/01/2009			56,326.67	56,326.67	
10/01/2009	113,333.33	7.100%	56,326.67	169,660.00	225,986.67
04/01/2010			52,303.33	52,303.33	
10/01/2010	113,333.33	7.100%	52,303.33	165,636.66	217,939.99
04/01/2011			48,280.00	48,280.00	
10/01/2011	113,333.33	7.100%	48,280.00	161,613.33	209,893.33
04/01/2012			44,256.67	44,256.67	
10/01/2012	113,333.33	7.100%	44,256.67	157,590.00	201,846.67
04/01/2013			40,233.33	40,233.33	
10/01/2013	113,333.33	7.100%	40,233.33	153,566.66	193,799.99
04/01/2014			36,210.00	36,210.00	
10/01/2014	113,333.33	7.100%	36,210.00	149,543.33	185,753.33
04/01/2015			32,186.67	32,186.67	
10/01/2015	113,333.33	7.100%	32,186.67	145,520.00	177,706.67
04/01/2016			28,163.33	28,163.33	
10/01/2016	113,333.33	7.100%	28,163.33	141,496.66	169,659.99
04/01/2017			24,140.00	24,140.00	
10/01/2017	113,333.33	7.100%	24,140.00	137,473.33	161,613.33
04/01/2018			20,116.67	20,116.67	
10/01/2018	113,333.34	7.100%	20,116.67	133,450.01	153,566.68
04/01/2019			16,093.33	16,093.33	
10/01/2019	113,333.34	7.100%	16,093.33	129,426.67	145,520.00
04/01/2020			12,070.00	12,070.00	
10/01/2020	113,333.34	7.100%	12,070.00	125,403.34	137,473.34
04/01/2021			8,046.67	8,046.67	
10/01/2021	113,333.34	7.100%	8,046.67	121,380.01	129,426.68
04/01/2022			4,023.33	4,023.33	
10/01/2022	113,333.34	7.100%	4,023.33	117,356.67	121,380.00
	1,700,000.00		847,582.22	2,547,582.22	2,547,582.22

**BOND DEBT SERVICE**

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Compass Bank  
 7.10%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	113,333.33	7.100%	2,682.22	116,015.55
10/01/2009	113,333.33	7.100%	112,653.34	225,986.67
10/01/2010	113,333.33	7.100%	104,606.66	217,939.99
10/01/2011	113,333.33	7.100%	96,560.00	209,893.33
10/01/2012	113,333.33	7.100%	88,513.34	201,846.67
10/01/2013	113,333.33	7.100%	80,466.66	193,799.99
10/01/2014	113,333.33	7.100%	72,420.00	185,753.33
10/01/2015	113,333.33	7.100%	64,373.34	177,706.67
10/01/2016	113,333.33	7.100%	56,326.66	169,659.99
10/01/2017	113,333.33	7.100%	48,280.00	161,613.33
10/01/2018	113,333.34	7.100%	40,233.34	153,566.68
10/01/2019	113,333.34	7.100%	32,186.66	145,520.00
10/01/2020	113,333.34	7.100%	24,140.00	137,473.34
10/01/2021	113,333.34	7.100%	16,093.34	129,426.68
10/01/2022	113,333.34	7.100%	8,046.66	121,380.00
	<b>1,700,000.00</b>		<b>847,582.22</b>	<b>2,547,582.22</b>

**SOURCES AND USES OF FUNDS**

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Prosperity Bank  
 7.30%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

**Sources:**

<b>Bond Proceeds:</b>	
Par Amount	1,700,000.00
	<u>1,700,000.00</u>

**Uses:**

<b>Delivery Date Expenses:</b>	
Legal Fees	1,000.00
Bank Fee	<u>8,500.00</u>
	9,500.00
<b>Other Uses of Funds:</b>	
Additional Proceeds	1,690,500.00
	<u>1,700,000.00</u>

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Prosperity Bank  
 7.30%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	7.412493%
True Interest Cost (TIC)	7.412493%
Net Interest Cost (NIC)	7.300000%
All-In TIC	7.412493%
Average Coupon	7.300000%
Average Life (years)	7.022
Duration of Issue (years)	5.153
Par Amount	1,700,000.00
Bond Proceeds	1,700,000.00
Total Interest	871,457.78
Net Interest	871,457.78
Total Debt Service	2,571,457.78
Maximum Annual Debt Service	229,159.99
Average Annual Debt Service	183,384.47
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	1,700,000.00	100.000	7.300%	7.022
	1,700,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,700,000.00	1,700,000.00	1,700,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts	-9,500.00	-9,500.00	-9,500.00
Target Value	1,690,500.00	1,690,500.00	1,690,500.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	7.412493%	7.412493%	7.412493%

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Prosperity Bank  
 7.30%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	113,333.33	7.300%	2,757.78	116,091.11	116,091.11
04/01/2009			57,913.33	57,913.33	
10/01/2009	113,333.33	7.300%	57,913.33	171,246.66	229,159.99
04/01/2010			53,776.67	53,776.67	
10/01/2010	113,333.33	7.300%	53,776.67	167,110.00	220,886.67
04/01/2011			49,640.00	49,640.00	
10/01/2011	113,333.33	7.300%	49,640.00	162,973.33	212,613.33
04/01/2012			45,503.33	45,503.33	
10/01/2012	113,333.33	7.300%	45,503.33	158,836.66	204,339.99
04/01/2013			41,366.67	41,366.67	
10/01/2013	113,333.33	7.300%	41,366.67	154,700.00	196,066.67
04/01/2014			37,230.00	37,230.00	
10/01/2014	113,333.33	7.300%	37,230.00	150,563.33	187,793.33
04/01/2015			33,093.33	33,093.33	
10/01/2015	113,333.33	7.300%	33,093.33	146,426.66	179,519.99
04/01/2016			28,956.67	28,956.67	
10/01/2016	113,333.33	7.300%	28,956.67	142,290.00	171,246.67
04/01/2017			24,820.00	24,820.00	
10/01/2017	113,333.33	7.300%	24,820.00	138,153.33	162,973.33
04/01/2018			20,683.33	20,683.33	
10/01/2018	113,333.34	7.300%	20,683.33	134,016.67	154,700.00
04/01/2019			16,546.67	16,546.67	
10/01/2019	113,333.34	7.300%	16,546.67	129,880.01	146,426.68
04/01/2020			12,410.00	12,410.00	
10/01/2020	113,333.34	7.300%	12,410.00	125,743.34	138,153.34
04/01/2021			8,273.33	8,273.33	
10/01/2021	113,333.34	7.300%	8,273.33	121,606.67	129,880.00
04/01/2022			4,136.67	4,136.67	
10/01/2022	113,333.34	7.300%	4,136.67	117,470.01	121,606.68
	1,700,000.00		871,457.78	2,571,457.78	2,571,457.78

**BOND DEBT SERVICE**

City of Palatka, Florida  
 Taxable Golf Course Revenue Note, Series 2008  
 Prosperity Bank  
 7.30%  
 15-Year Amortization  
 Equal Principal Payments of \$113,333.33

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	113,333.33	7.300%	2,757.78	116,091.11
10/01/2009	113,333.33	7.300%	115,826.66	229,159.99
10/01/2010	113,333.33	7.300%	107,553.34	220,886.67
10/01/2011	113,333.33	7.300%	99,280.00	212,613.33
10/01/2012	113,333.33	7.300%	91,006.66	204,339.99
10/01/2013	113,333.33	7.300%	82,733.34	196,066.67
10/01/2014	113,333.33	7.300%	74,460.00	187,793.33
10/01/2015	113,333.33	7.300%	66,186.66	179,519.99
10/01/2016	113,333.33	7.300%	57,913.34	171,246.67
10/01/2017	113,333.33	7.300%	49,640.00	162,973.33
10/01/2018	113,333.34	7.300%	41,366.66	154,700.00
10/01/2019	113,333.34	7.300%	33,093.34	146,426.68
10/01/2020	113,333.34	7.300%	24,820.00	138,153.34
10/01/2021	113,333.34	7.300%	16,546.66	129,880.00
10/01/2022	113,333.34	7.300%	8,273.34	121,606.68
	<b>1,700,000.00</b>		<b>871,457.78</b>	<b>2,571,457.78</b>

**CITY OF PALATKA, FLORIDA**  
**\$750,000**  
**Taxable Airport Revenue Note, Series 2008**

**Summary of Bank Loan Responses**

	<b>Hancock <u>6.20%</u></b>	<b>SunTrust <u>6.50%</u></b>	<b>Capital City <u>6.53%</u></b>	<b>Compass <u>7.20%</u></b>	<b>Prosperity<sup>(1)</sup> <u>7.30%</u></b>
Total Debt Service	\$1,076,533	\$1,092,333	\$1,093,913	\$1,129,200	\$1,134,467
Project Fund	\$750,000	\$746,500	\$750,000	\$750,000	\$745,250
All-In True Interest Cost	6.2000%	6.5907%	6.5304%	7.2005%	7.4275%
Legal Fees	-0-	\$3,500	-0-	-0-	\$1,000
Prepayment Penalty	No	No	No	No	No

<sup>(1)</sup> Bank Fee of \$3,750

SOURCES AND USES OF FUNDS

City of Palatka, Florida  
Taxable Airport Revenue Note, Series 2008  
Hancock Bank  
6.20%  
15-Year Amortization  
Equal Principal Payments of \$50,000

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	750,000.00
	<hr/>
	750,000.00
	<hr/>

Uses:

<hr/>	
Other Uses of Funds:	
Additional Proceeds	750,000.00
	<hr/>
	750,000.00
	<hr/>

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Hancock Bank  
 6.20%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	6.200380%
True Interest Cost (TIC)	6.200380%
Net Interest Cost (NIC)	6.200000%
All-In TIC	6.200380%
Average Coupon	6.200000%
Average Life (years)	7.022
Duration of Issue (years)	5.417
Par Amount	750,000.00
Bond Proceeds	750,000.00
Total Interest	326,533.33
Net Interest	326,533.33
Total Debt Service	1,076,533.33
Maximum Annual Debt Service	93,400.00
Average Annual Debt Service	76,773.38
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	750,000.00	100.000	6.200%	7.022
	750,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	750,000.00	750,000.00	750,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	750,000.00	750,000.00	750,000.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	6.200380%	6.200380%	6.200380%

**BOND DEBT SERVICE**

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Hancock Bank  
 6.20%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	50,000	6.200%	1,033.33	51,033.33	51,033.33
04/01/2009			21,700.00	21,700.00	
10/01/2009	50,000	6.200%	21,700.00	71,700.00	93,400.00
04/01/2010			20,150.00	20,150.00	
10/01/2010	50,000	6.200%	20,150.00	70,150.00	90,300.00
04/01/2011			18,600.00	18,600.00	
10/01/2011	50,000	6.200%	18,600.00	68,600.00	87,200.00
04/01/2012			17,050.00	17,050.00	
10/01/2012	50,000	6.200%	17,050.00	67,050.00	84,100.00
04/01/2013			15,500.00	15,500.00	
10/01/2013	50,000	6.200%	15,500.00	65,500.00	81,000.00
04/01/2014			13,950.00	13,950.00	
10/01/2014	50,000	6.200%	13,950.00	63,950.00	77,900.00
04/01/2015			12,400.00	12,400.00	
10/01/2015	50,000	6.200%	12,400.00	62,400.00	74,800.00
04/01/2016			10,850.00	10,850.00	
10/01/2016	50,000	6.200%	10,850.00	60,850.00	71,700.00
04/01/2017			9,300.00	9,300.00	
10/01/2017	50,000	6.200%	9,300.00	59,300.00	68,600.00
04/01/2018			7,750.00	7,750.00	
10/01/2018	50,000	6.200%	7,750.00	57,750.00	65,500.00
04/01/2019			6,200.00	6,200.00	
10/01/2019	50,000	6.200%	6,200.00	56,200.00	62,400.00
04/01/2020			4,650.00	4,650.00	
10/01/2020	50,000	6.200%	4,650.00	54,650.00	59,300.00
04/01/2021			3,100.00	3,100.00	
10/01/2021	50,000	6.200%	3,100.00	53,100.00	56,200.00
04/01/2022			1,550.00	1,550.00	
10/01/2022	50,000	6.200%	1,550.00	51,550.00	53,100.00
	750,000		326,533.33	1,076,533.33	1,076,533.33

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Hancock Bank  
 6.20%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	50,000	6.200%	1,033.33	51,033.33
10/01/2009	50,000	6.200%	43,400.00	93,400.00
10/01/2010	50,000	6.200%	40,300.00	90,300.00
10/01/2011	50,000	6.200%	37,200.00	87,200.00
10/01/2012	50,000	6.200%	34,100.00	84,100.00
10/01/2013	50,000	6.200%	31,000.00	81,000.00
10/01/2014	50,000	6.200%	27,900.00	77,900.00
10/01/2015	50,000	6.200%	24,800.00	74,800.00
10/01/2016	50,000	6.200%	21,700.00	71,700.00
10/01/2017	50,000	6.200%	18,600.00	68,600.00
10/01/2018	50,000	6.200%	15,500.00	65,500.00
10/01/2019	50,000	6.200%	12,400.00	62,400.00
10/01/2020	50,000	6.200%	9,300.00	59,300.00
10/01/2021	50,000	6.200%	6,200.00	56,200.00
10/01/2022	50,000	6.200%	3,100.00	53,100.00
	750,000		326,533.33	1,076,533.33

SOURCES AND USES OF FUNDS

City of Palatka, Florida  
Taxable Airport Revenue Note, Series 2008  
SunTrust Bank  
6.50%  
15-Year Amortization  
Equal Principal Payments of \$50,000

Sources:

---

Bond Proceeds:	
Par Amount	750,000.00
	<hr/>
	750,000.00

---

Uses:

---

Delivery Date Expenses:	
Legal Fees	3,500.00
Other Uses of Funds:	
Additional Proceeds	746,500.00
	<hr/>
	750,000.00

---

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 SunTrust Bank  
 6.50%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	6.590734%
True Interest Cost (TIC)	6.590734%
Net Interest Cost (NIC)	6.500000%
All-In TIC	6.590734%
Average Coupon	6.500000%
Average Life (years)	7.022
Duration of Issue (years)	5.317
Par Amount	750,000.00
Bond Proceeds	750,000.00
Total Interest	342,333.33
Net Interest	342,333.33
Total Debt Service	1,092,333.33
Maximum Annual Debt Service	95,500.00
Average Annual Debt Service	77,900.16
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	750,000.00	100.000	6.500%	7.022
	750,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	750,000.00	750,000.00	750,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts	-3,500.00	-3,500.00	-3,500.00
Target Value	746,500.00	746,500.00	746,500.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	6.590734%	6.590734%	6.590734%

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 SunTrust Bank  
 6.50%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	50,000	6.500%	1,083.33	51,083.33	51,083.33
04/01/2009			22,750.00	22,750.00	
10/01/2009	50,000	6.500%	22,750.00	72,750.00	95,500.00
04/01/2010			21,125.00	21,125.00	
10/01/2010	50,000	6.500%	21,125.00	71,125.00	92,250.00
04/01/2011			19,500.00	19,500.00	
10/01/2011	50,000	6.500%	19,500.00	69,500.00	89,000.00
04/01/2012			17,875.00	17,875.00	
10/01/2012	50,000	6.500%	17,875.00	67,875.00	85,750.00
04/01/2013			16,250.00	16,250.00	
10/01/2013	50,000	6.500%	16,250.00	66,250.00	82,500.00
04/01/2014			14,625.00	14,625.00	
10/01/2014	50,000	6.500%	14,625.00	64,625.00	79,250.00
04/01/2015			13,000.00	13,000.00	
10/01/2015	50,000	6.500%	13,000.00	63,000.00	76,000.00
04/01/2016			11,375.00	11,375.00	
10/01/2016	50,000	6.500%	11,375.00	61,375.00	72,750.00
04/01/2017			9,750.00	9,750.00	
10/01/2017	50,000	6.500%	9,750.00	59,750.00	69,500.00
04/01/2018			8,125.00	8,125.00	
10/01/2018	50,000	6.500%	8,125.00	58,125.00	66,250.00
04/01/2019			6,500.00	6,500.00	
10/01/2019	50,000	6.500%	6,500.00	56,500.00	63,000.00
04/01/2020			4,875.00	4,875.00	
10/01/2020	50,000	6.500%	4,875.00	54,875.00	59,750.00
04/01/2021			3,250.00	3,250.00	
10/01/2021	50,000	6.500%	3,250.00	53,250.00	56,500.00
04/01/2022			1,625.00	1,625.00	
10/01/2022	50,000	6.500%	1,625.00	51,625.00	53,250.00
	750,000		342,333.33	1,092,333.33	1,092,333.33

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 SunTrust Bank  
 6.50%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	50,000	6.500%	1,083.33	51,083.33
10/01/2009	50,000	6.500%	45,500.00	95,500.00
10/01/2010	50,000	6.500%	42,250.00	92,250.00
10/01/2011	50,000	6.500%	39,000.00	89,000.00
10/01/2012	50,000	6.500%	35,750.00	85,750.00
10/01/2013	50,000	6.500%	32,500.00	82,500.00
10/01/2014	50,000	6.500%	29,250.00	79,250.00
10/01/2015	50,000	6.500%	26,000.00	76,000.00
10/01/2016	50,000	6.500%	22,750.00	72,750.00
10/01/2017	50,000	6.500%	19,500.00	69,500.00
10/01/2018	50,000	6.500%	16,250.00	66,250.00
10/01/2019	50,000	6.500%	13,000.00	63,000.00
10/01/2020	50,000	6.500%	9,750.00	59,750.00
10/01/2021	50,000	6.500%	6,500.00	56,500.00
10/01/2022	50,000	6.500%	3,250.00	53,250.00
	750,000		342,333.33	1,092,333.33

SOURCES AND USES OF FUNDS

City of Palatka, Florida  
Taxable Airport Revenue Note, Series 2008  
Capital City Bank  
6.53%  
15-Year Amortization  
Equal Principal Payments of \$50,000

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	750,000.00
	<hr/>
	750,000.00
	<hr/>

Uses:

<hr/>	
Other Uses of Funds:	
Additional Proceeds	750,000.00
	<hr/>
	750,000.00
	<hr/>

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Capital City Bank  
 6.53%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	6.530427%
True Interest Cost (TIC)	6.530427%
Net Interest Cost (NIC)	6.530000%
All-In TIC	6.530427%
Average Coupon	6.530000%
Average Life (years)	7.022
Duration of Issue (years)	5.350
Par Amount	750,000.00
Bond Proceeds	750,000.00
Total Interest	343,913.33
Net Interest	343,913.33
Total Debt Service	1,093,913.33
Maximum Annual Debt Service	95,710.00
Average Annual Debt Service	78,012.84
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	750,000.00	100.000	6.530%	7.022
	750,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	750,000.00	750,000.00	750,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	750,000.00	750,000.00	750,000.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	6.530427%	6.530427%	6.530427%

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Capital City Bank  
 6.53%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	50,000	6.530%	1,088.33	51,088.33	51,088.33
04/01/2009			22,855.00	22,855.00	
10/01/2009	50,000	6.530%	22,855.00	72,855.00	95,710.00
04/01/2010			21,222.50	21,222.50	
10/01/2010	50,000	6.530%	21,222.50	71,222.50	92,445.00
04/01/2011			19,590.00	19,590.00	
10/01/2011	50,000	6.530%	19,590.00	69,590.00	89,180.00
04/01/2012			17,957.50	17,957.50	
10/01/2012	50,000	6.530%	17,957.50	67,957.50	85,915.00
04/01/2013			16,325.00	16,325.00	
10/01/2013	50,000	6.530%	16,325.00	66,325.00	82,650.00
04/01/2014			14,692.50	14,692.50	
10/01/2014	50,000	6.530%	14,692.50	64,692.50	79,385.00
04/01/2015			13,060.00	13,060.00	
10/01/2015	50,000	6.530%	13,060.00	63,060.00	76,120.00
04/01/2016			11,427.50	11,427.50	
10/01/2016	50,000	6.530%	11,427.50	61,427.50	72,855.00
04/01/2017			9,795.00	9,795.00	
10/01/2017	50,000	6.530%	9,795.00	59,795.00	69,590.00
04/01/2018			8,162.50	8,162.50	
10/01/2018	50,000	6.530%	8,162.50	58,162.50	66,325.00
04/01/2019			6,530.00	6,530.00	
10/01/2019	50,000	6.530%	6,530.00	56,530.00	63,060.00
04/01/2020			4,897.50	4,897.50	
10/01/2020	50,000	6.530%	4,897.50	54,897.50	59,795.00
04/01/2021			3,265.00	3,265.00	
10/01/2021	50,000	6.530%	3,265.00	53,265.00	56,530.00
04/01/2022			1,632.50	1,632.50	
10/01/2022	50,000	6.530%	1,632.50	51,632.50	53,265.00
	750,000		343,913.33	1,093,913.33	1,093,913.33

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Capital City Bank  
 6.53%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	50,000	6.530%	1,088.33	51,088.33
10/01/2009	50,000	6.530%	45,710.00	95,710.00
10/01/2010	50,000	6.530%	42,445.00	92,445.00
10/01/2011	50,000	6.530%	39,180.00	89,180.00
10/01/2012	50,000	6.530%	35,915.00	85,915.00
10/01/2013	50,000	6.530%	32,650.00	82,650.00
10/01/2014	50,000	6.530%	29,385.00	79,385.00
10/01/2015	50,000	6.530%	26,120.00	76,120.00
10/01/2016	50,000	6.530%	22,855.00	72,855.00
10/01/2017	50,000	6.530%	19,590.00	69,590.00
10/01/2018	50,000	6.530%	16,325.00	66,325.00
10/01/2019	50,000	6.530%	13,060.00	63,060.00
10/01/2020	50,000	6.530%	9,795.00	59,795.00
10/01/2021	50,000	6.530%	6,530.00	56,530.00
10/01/2022	50,000	6.530%	3,265.00	53,265.00
	750,000		343,913.33	1,093,913.33

**SOURCES AND USES OF FUNDS**

City of Palatka, Florida  
Taxable Airport Revenue Note, Series 2008  
Compass Bank  
7.20%  
15-Year Amortization  
Equal Principal Payments of \$50,000

**Sources:**

---

<b>Bond Proceeds:</b>	
Par Amount	750,000.00
	<hr/>
	750,000.00
	<hr/>

**Uses:**

---

<b>Other Uses of Funds:</b>	
Additional Proceeds	750,000.00
	<hr/>
	750,000.00
	<hr/>

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Compass Bank  
 7.20%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	7.200533%
True Interest Cost (TIC)	7.200533%
Net Interest Cost (NIC)	7.200000%
All-In TIC	7.200533%
Average Coupon	7.200000%
Average Life (years)	7.022
Duration of Issue (years)	5.218
Par Amount	750,000.00
Bond Proceeds	750,000.00
Total Interest	379,200.00
Net Interest	379,200.00
Total Debt Service	1,129,200.00
Maximum Annual Debt Service	100,400.00
Average Annual Debt Service	80,529.32
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	750,000.00	100.000	7.200%	7.022
	750,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	750,000.00	750,000.00	750,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	750,000.00	750,000.00	750,000.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	7.200533%	7.200533%	7.200533%

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Compass Bank  
 7.20%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	50,000	7.200%	1,200	51,200	51,200
04/01/2009			25,200	25,200	
10/01/2009	50,000	7.200%	25,200	75,200	100,400
04/01/2010			23,400	23,400	
10/01/2010	50,000	7.200%	23,400	73,400	96,800
04/01/2011			21,600	21,600	
10/01/2011	50,000	7.200%	21,600	71,600	93,200
04/01/2012			19,800	19,800	
10/01/2012	50,000	7.200%	19,800	69,800	89,600
04/01/2013			18,000	18,000	
10/01/2013	50,000	7.200%	18,000	68,000	86,000
04/01/2014			16,200	16,200	
10/01/2014	50,000	7.200%	16,200	66,200	82,400
04/01/2015			14,400	14,400	
10/01/2015	50,000	7.200%	14,400	64,400	78,800
04/01/2016			12,600	12,600	
10/01/2016	50,000	7.200%	12,600	62,600	75,200
04/01/2017			10,800	10,800	
10/01/2017	50,000	7.200%	10,800	60,800	71,600
04/01/2018			9,000	9,000	
10/01/2018	50,000	7.200%	9,000	59,000	68,000
04/01/2019			7,200	7,200	
10/01/2019	50,000	7.200%	7,200	57,200	64,400
04/01/2020			5,400	5,400	
10/01/2020	50,000	7.200%	5,400	55,400	60,800
04/01/2021			3,600	3,600	
10/01/2021	50,000	7.200%	3,600	53,600	57,200
04/01/2022			1,800	1,800	
10/01/2022	50,000	7.200%	1,800	51,800	53,600
	750,000		379,200	1,129,200	1,129,200

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Compass Bank  
 7.20%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	50,000	7.200%	1,200	51,200
10/01/2009	50,000	7.200%	50,400	100,400
10/01/2010	50,000	7.200%	46,800	96,800
10/01/2011	50,000	7.200%	43,200	93,200
10/01/2012	50,000	7.200%	39,600	89,600
10/01/2013	50,000	7.200%	36,000	86,000
10/01/2014	50,000	7.200%	32,400	82,400
10/01/2015	50,000	7.200%	28,800	78,800
10/01/2016	50,000	7.200%	25,200	75,200
10/01/2017	50,000	7.200%	21,600	71,600
10/01/2018	50,000	7.200%	18,000	68,000
10/01/2019	50,000	7.200%	14,400	64,400
10/01/2020	50,000	7.200%	10,800	60,800
10/01/2021	50,000	7.200%	7,200	57,200
10/01/2022	50,000	7.200%	3,600	53,600
	750,000		379,200	1,129,200

**SOURCES AND USES OF FUNDS**

City of Palatka, Florida  
Taxable Airport Revenue Note, Series 2008  
Prosperity Bank  
7.30%  
15-Year Amortization  
Equal Principal Payments of \$50,000

**Sources:**

<hr/>	
<b>Bond Proceeds:</b>	
Par Amount	750,000.00
	<hr/>
	750,000.00
	<hr/>

**Uses:**

<hr/>	
<b>Delivery Date Expenses:</b>	
Legal Fees	1,000.00
Bank Fee	<hr/>
	3,750.00
	4,750.00
<hr/>	
<b>Other Uses of Funds:</b>	
Additional Proceeds	745,250.00
	<hr/>
	750,000.00
	<hr/>

BOND SUMMARY STATISTICS

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Prosperity Bank  
 7.30%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Dated Date	09/23/2008
Delivery Date	09/23/2008
Last Maturity	10/01/2022
Arbitrage Yield	7.427498%
True Interest Cost (TIC)	7.427498%
Net Interest Cost (NIC)	7.300000%
All-In TIC	7.427498%
Average Coupon	7.300000%
Average Life (years)	7.022
Duration of Issue (years)	5.147
Par Amount	750,000.00
Bond Proceeds	750,000.00
Total Interest	384,466.67
Net Interest	384,466.67
Total Debt Service	1,134,466.67
Maximum Annual Debt Service	101,100.00
Average Annual Debt Service	80,904.91
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	750,000.00	100.000	7.300%	7.022
	750,000.00			7.022

	TIC	All-In TIC	Arbitrage Yield
Par Value	750,000.00	750,000.00	750,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts	-4,750.00	-4,750.00	-4,750.00
Target Value	745,250.00	745,250.00	745,250.00
Target Date	09/23/2008	09/23/2008	09/23/2008
Yield	7.427498%	7.427498%	7.427498%

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Prosperity Bank  
 7.30%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	50,000	7.300%	1,216.67	51,216.67	51,216.67
04/01/2009			25,550.00	25,550.00	
10/01/2009	50,000	7.300%	25,550.00	75,550.00	101,100.00
04/01/2010			23,725.00	23,725.00	
10/01/2010	50,000	7.300%	23,725.00	73,725.00	97,450.00
04/01/2011			21,900.00	21,900.00	
10/01/2011	50,000	7.300%	21,900.00	71,900.00	93,800.00
04/01/2012			20,075.00	20,075.00	
10/01/2012	50,000	7.300%	20,075.00	70,075.00	90,150.00
04/01/2013			18,250.00	18,250.00	
10/01/2013	50,000	7.300%	18,250.00	68,250.00	86,500.00
04/01/2014			16,425.00	16,425.00	
10/01/2014	50,000	7.300%	16,425.00	66,425.00	82,850.00
04/01/2015			14,600.00	14,600.00	
10/01/2015	50,000	7.300%	14,600.00	64,600.00	79,200.00
04/01/2016			12,775.00	12,775.00	
10/01/2016	50,000	7.300%	12,775.00	62,775.00	75,550.00
04/01/2017			10,950.00	10,950.00	
10/01/2017	50,000	7.300%	10,950.00	60,950.00	71,900.00
04/01/2018			9,125.00	9,125.00	
10/01/2018	50,000	7.300%	9,125.00	59,125.00	68,250.00
04/01/2019			7,300.00	7,300.00	
10/01/2019	50,000	7.300%	7,300.00	57,300.00	64,600.00
04/01/2020			5,475.00	5,475.00	
10/01/2020	50,000	7.300%	5,475.00	55,475.00	60,950.00
04/01/2021			3,650.00	3,650.00	
10/01/2021	50,000	7.300%	3,650.00	53,650.00	57,300.00
04/01/2022			1,825.00	1,825.00	
10/01/2022	50,000	7.300%	1,825.00	51,825.00	53,650.00
	750,000		384,466.67	1,134,466.67	1,134,466.67

BOND DEBT SERVICE

City of Palatka, Florida  
 Taxable Airport Revenue Note, Series 2008  
 Prosperity Bank  
 7.30%  
 15-Year Amortization  
 Equal Principal Payments of \$50,000

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2008	50,000	7.300%	1,216.67	51,216.67
10/01/2009	50,000	7.300%	51,100.00	101,100.00
10/01/2010	50,000	7.300%	47,450.00	97,450.00
10/01/2011	50,000	7.300%	43,800.00	93,800.00
10/01/2012	50,000	7.300%	40,150.00	90,150.00
10/01/2013	50,000	7.300%	36,500.00	86,500.00
10/01/2014	50,000	7.300%	32,850.00	82,850.00
10/01/2015	50,000	7.300%	29,200.00	79,200.00
10/01/2016	50,000	7.300%	25,550.00	75,550.00
10/01/2017	50,000	7.300%	21,900.00	71,900.00
10/01/2018	50,000	7.300%	18,250.00	68,250.00
10/01/2019	50,000	7.300%	14,600.00	64,600.00
10/01/2020	50,000	7.300%	10,950.00	60,950.00
10/01/2021	50,000	7.300%	7,300.00	57,300.00
10/01/2022	50,000	7.300%	3,650.00	53,650.00
	750,000		384,466.67	1,134,466.67

RESOLUTION NO. 8-45

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA; AUTHORIZING THE ISSUANCE OF A NOT EXCEEDING \$750,000 TAXABLE AIRPORT REVENUE NOTE TO FINANCE THE COST OF NEW HANGARS AT THE CITY'S MUNICIPAL AIRPORT; APPROVING A FORM OF LOAN AGREEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND OTHER ACTION IN CONNECTION WITH THE DELIVERY OF THE NOTE; AUTHORIZING AWARD OF THE NOTE TO THE SUCCESSFUL BIDDER FOLLOWING SOLICITATION OF COMPETITIVE PROPOSALS; PLEDGING THE CITY'S NET REVENUES FROM OPERATION OF ITS AIRPORT FACILITIES AND NON-AD VALOREM REVENUES TO SECURE PAYMENT OF THE NOTE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Palatka, Florida (the "City") has determined to finance the project described above over a term of fifteen (15) years;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA:

**Section 1. AUTHORITY FOR THIS RESOLUTION.** This resolution is adopted pursuant to the provisions of the Act, as defined in the Loan Agreement, a form of which is attached hereto as Exhibit A.

**Section 2. DEFINITIONS.** All terms in this resolution shall have the meanings as defined in the Loan Agreement.

**Section 3. PROJECT AUTHORIZED.** There is hereby authorized the construction and acquisition of new hangars for the City's airport facilities.

**Section 4. AUTHORIZATION OF LOAN AND NOTE.** Subject and pursuant to the provisions of this resolution, the City is authorized to incur a Loan and to issue the Note in evidence thereof, in the form of the Loan Agreement attached hereto as Exhibit A and the Form of Note attached hereto as Exhibit B. All of the terms and covenants contained in the Loan Agreement and the Form of Note are incorporated hereby by reference.

**Section 5. SALE OF NOTE.**

(A) Findings. It is hereby found, determined and declared, that in accordance with the provisions of Part III, Chapter 218, Florida Statutes, a negotiated sale of the Note is in the best interest of the City because of the small size of the issue and the flexibility available in structuring the Note and its terms.

(B) The City has solicited proposals for purchase of the Note from area commercial banks in substantially the form attached hereto as Exhibit C. The Successful Bid shall be the best proposal in accordance with the terms of the Request for Proposals. Prospective bidders shall have been given the Request for Proposals at least three business days prior to the date for return of bids. The Request for

Proposals was provided to at least three commercial banks and to such other prospective bidders as the City Manager deemed appropriate.

(C) Award of Note. The City hereby awards the Note to SunTrust Bank as the Successful Bidder at the purchase price of par and upon the terms and conditions set forth herein, in the City's Request for Proposals and in the Successful Bid attached hereto as Exhibit D. The award has been made to the bidder offering the lowest true interest cost to the City in conformity with the terms and conditions set forth herein and in the Request for Proposals, as noted in the Summary of Bank Loan Responses prepared for the City by Dunlap & Associates, Inc. The amount of the Loan shall be \$750,000.

**Section 6. NECESSARY ACTION.** The Mayor and the City Clerk of the City are authorized and directed to execute and deliver the Loan Agreement and the Note to the Successful Bidder upon payment of the purchase price without further authority from the City Commission. The Mayor, City Clerk and City Manager are designated as the agents of the City in connection with the issuance and delivery of the Note and are authorized and empowered to take all actions and steps to execute and deliver any and all instruments, documents or contracts on behalf of the City which are necessary or desirable in connection with the execution and delivery of the Loan Agreement and the Note, and which are not inconsistent with the terms and provisions of this resolution.

**Section 7. EFFECTIVE DATE.** This resolution shall take effect immediately upon its adoption.

Adopted this September 17, 2008.

**CITY OF PALATKA, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Karl N. Flagg  
Mayor

ATTEST:

By: \_\_\_\_\_  
Betsy J. Driggers  
City Clerk

**EXHIBITS  
TO  
RESOLUTION**

Exhibit A - Loan Agreement

Exhibit B - Form of Note

Exhibit C - Form of Request for Proposals

Exhibit D - Successful Bid

**Exhibit A  
To  
Resolution**

**FORM OF  
LOAN AGREEMENT**

**between**

**CITY OF PALATKA**

**and**

-----

**Dated as of \_\_\_\_\_, 2008**

**\$750,000  
Taxable Airport Revenue Note**

**LOAN AGREEMENT**

**THIS LOAN AGREEMENT** (this "Agreement"), dated as of \_\_\_\_\_, 2008, by and between the **CITY OF PALATKA, FLORIDA** (the "City"), a municipal corporation under the laws of the State of Florida, and \_\_\_\_\_, \_\_\_\_\_ (the "Lender"),

**WITNESSETH:**

**WHEREAS**, the City has, by adoption of Resolution No. \_\_\_\_\_ (the "Resolution") on \_\_\_\_\_, 2008, authorized a loan (the "Loan"), in the amount of \$750,000 from the Lender to finance the cost of new hangars (the "Project") at the City's Airport Facilities;

**NOW THEREFORE**, in consideration of the premises and the respective representations and covenants herein contained, the parties hereto agree as follows:

**Section 1. Definitions.** The following terms in this Agreement shall have the following meanings, unless the text otherwise expressly requires:

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

"City" means the City of Palatka, Florida.

"Cost of Operation and Maintenance" of the Facilities shall mean the current expense, paid or accrued, of operation, maintenance and repair of the Facilities, as calculated in accordance with generally accepted accounting practice, but shall not include any reserve for renewals, replacements or extraordinary repairs or any allowance for depreciation.

"Facilities" shall mean the complete and total real property comprising the Palatka Municipal Airport, including the Project and all other buildings thereon and other appurtenances thereto, all equipment and personal property used in connection with the operation and maintenance of the Palatka Municipal Airport, together with any and all improvements and additions thereto hereafter constructed or acquired.

"Gross Revenues" shall mean all income, earnings or revenues, including income from rates, fees, rentals, sales of food, beverages or goods, and other charges made and collected for the services of the Facilities, proceeds from the sale of all or part of the Facilities, and any income from the investment of funds held under this Agreement unless otherwise herein provided, derived by the City from the operation, use or sale of the Facilities.

"Net Revenues" shall mean the Gross Revenues after payment of the Cost of Operation and Maintenance of the Facilities.

"Non-Ad Valorem Revenues" means all legally available revenues and taxes (other than ad valorem taxes) derived from any source and legally available to pay principal of and interest on the Note.

"Note" means the City's Taxable Airport Revenue Note, to be issued in the principal amount of \$750,000.

**Section 2. Findings.** It is hereby found, determined and declared by the City that:

A. The City owns and operates the Facilities as a self-supporting enterprise. The City has determined to improve the Facilities by construction and acquisition of new hangars.

B. The City expects to derive Net Revenues from the ownership and operation of the Facilities. The Net Revenues are not now pledged or encumbered in any manner, except for payment of the \$1,250,000 Tax-Exempt Airport Revenue Note (the "Parity Note") expected to be issued simultaneously with the issuance of the Note.

C. The principal of and interest on the Note and all other payments provided for in this Agreement shall be payable solely from the Net Revenues, grant revenues related to the Project, and Non-Ad Valorem Revenues as provided herein. The Note shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the City, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, or the City shall be obligated to pay the principal of the Note, the interest thereon, or other costs incidental thereto except from the Net Revenues, grant revenues and Non-Ad Valorem Revenues, in the manner provided herein. The Note shall not constitute a lien upon any property of the City, except that the Note shall be secured by a lien on the Net Revenues and grant revenues in the manner provided herein, on a parity with the lien thereon securing the Parity Note.

**Section 3. Loan.** The Lender agrees to make a Loan to the City for the purpose of financing the cost of the Project. The Loan shall be evidenced by the Note containing the terms in the Resolution, this Agreement and the proposal of the Lender.

**Section 4. Source of Payment for Loan.** The principal of and interest on the Note and all other payments provided for in this Agreement shall be payable solely from (1) a pledge of and a lien on the Net Revenues, and any grant revenues received related to the Project and (2) the Non-Ad Valorem Revenues. The Note shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the City, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, or the City shall be obligated to pay the principal of the Note, the interest thereon, or other costs incidental thereto except from the sources described in this Section, in the manner provided in this Agreement. The Note shall not constitute a lien upon any property of the City, except the Net Revenues and such grant revenues.

**Section 5. Covenants Regarding Net Revenues.** For as long as any of the principal of and interest on the Note shall be outstanding, the City covenants with the Lender as follows:

(A) **FLOW OF FUNDS.** The Gross Revenues shall be deposited as received by the City into a special fund, hereby created and designated "City of Palatka Municipal Airport Revenue Fund" (hereinafter called "Revenue Fund"). All moneys in the Revenue Fund shall be held in trust in a depository bank to be subsequently designated by the City and applied as hereinafter provided. All moneys at any time remaining on deposit in the Revenue Fund shall be applied monthly in the following manner and order of priority for the following purposes:

(1) First, for payment of all Costs of Operation and Maintenance for such month.

(2) Second, an amount equal to the principal of and interest due on the Note and the Parity Note for the current Fiscal Year and any arrearages in the payment of principal of or interest on the Note shall be deposited, from the first Gross Revenues available for such purpose in each Fiscal Year, in the Sinking Fund described in Subsection 5(B) hereof. Moneys on deposit in the Sinking Fund shall be applied first to the payment of interest and second to the payment of principal, on the Note and the Parity Note.

(3) After all such required payments have been made, including all deficiencies in prior payments, the balance in the Revenue Fund in each Fiscal Year may be used for any lawful purpose of the City.

(B) **SINKING FUND.** There is hereby created and established a separate fund to be designated "Sinking Fund" (hereinafter called "Sinking Fund"). On each interest and principal payment date following the issuance of the Note, the City shall pay the principal of and interest due on the Note and the Parity Note on such date from the moneys in the Sinking Fund.

(C) **INVESTMENTS AND ACCOUNTING.**

(1) Monies on deposit in the Sinking Fund shall be invested and reinvested only in lawful investments for the City, provided such investments either mature or are redeemable at not less than par at the option of the City not later than the dates on which the moneys on deposit therein will be needed for the purpose of such Fund. All income on such investments shall remain in each account in the Sinking Fund.

(2) The cash required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds as herein provided.

(3) The designation and establishment of the various funds and accounts in and by this Agreement 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 and assets of the City for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

(4) RATES. Unless waived by the Lender from time to time for any particular period of time, the City will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the services of the Facilities as will always provide Gross Revenues in each Fiscal Year sufficient to pay, and out of such funds pay, 100% of all Costs of Operation and Maintenance of the Facilities in such year and all principal of and interest due on the Note in such year. Such rates, fees, rentals and other charges shall not be reduced as to be insufficient to provide adequate Gross Revenues for such purposes.

(5) NO MORTGAGE OR SALE OF THE FACILITIES. The City will not sell, lease, mortgage, pledge or otherwise encumber the Facilities or any substantial part thereof, or any Gross Revenues or Net Revenues to be derived therefrom, except as herein provided.

The City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Facilities which the City shall hereafter determine, in the manner provided herein, to be no longer necessary, useful or profitable in the operation of the Facilities. Prior to any such sale, lease or other disposition of said property, if the amount to be received therefor is not in excess of \$50,000, the Director of Finance of the City or other duly authorized officer in charge thereof shall make a finding in writing determining that such property comprising a part of the Facilities is no longer necessary, useful or profitable in the operation thereof.

The Facilities may be sold, lease or otherwise disposed of in amounts in excess of \$50,000 upon such terms and conditions as shall be acceptable to the Lender.

The proceeds derived from any sale, lease or other disposition of said property described in this Section shall be considered Gross Revenues in the year in which such proceeds are received and shall be applied to prepay the Note.

(6) INSURANCE. The City will carry or cause to be carried (1) hazard insurance (including builders' risk insurance) on the clubhouse building and other improvements on the Facilities in the amount of its replacement value, naming the Lender as "Mortgagee" and a loss payee, and (2) other insurance on the Facilities and its operation of the kinds and in the amount ordinarily carried by similar facilities in Florida. All moneys received for losses under any of such insurance, except public liability, are hereby pledged by the City as security for the Loan. Proceeds for losses of less than \$50,000 shall be used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed as soon as practicable or shall be used to prepay the Note within such period. Proceeds for losses greater than \$50,000 shall be used to prepay the Note unless the City receives the written consent of the Lender to allow use the repair or reconstruction. Such consent may not be unreasonably withheld provided the City

is current in all required payments hereunder and that the Lender receives assurances that the City will continue to meet the debt service payments on the Note and that the Facilities can be repaired and/or reconstructed from amounts on hand.

(7) OPERATION AND MAINTENANCE OF FACILITIES. The City will maintain or cause to be maintained the Facilities and all parts thereof in good condition and will operate or cause to be operated the same in an efficient and economical manner, making or causing to be made such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(8) NO FREE SERVICE. The City will not render or cause to be rendered any free services of any nature by the Facilities, nor will any preferential rates be established for any class of users.

(9) OPERATING BUDGET. The City shall annually, prior to commencement of each of its Fiscal Years, prepare and adopt a detailed budget of the estimated expenditures for the operation and maintenance of the Facilities during such next succeeding Fiscal Year. The City shall provide a copy of such annual budget to the Lender. The City shall, in addition, supply the Lender with such other information and records regarding the City's revenues, expenses and trust accounts relating to the Facilities as the Lender may reasonably request.

(10) ENFORCEMENT OF COLLECTIONS. The City will diligently enforce and collect the Gross Revenues; will take all steps, actions and proceedings for the enforcement and collection of such Gross Revenues as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such Gross Revenues shall, as collected, be held in trust to be applied as herein provided and not otherwise.

(11) All federal, state or other grants received by the City, related to the Project, shall be deposited directly into the Sinking Fund and applied to prepay principal of the Note as promptly as practicable.

**Section 6. Covenants Regarding Non-Ad Valorem Revenues.** The City covenants and agrees to appropriate in its annual budget, by amendment, if required, to the Sinking Fund and to pay when due under this Agreement, whenever the Net Revenues are insufficient for such purpose, as promptly as money becomes available directly for payments due on the Loan, amounts of Non-Ad Valorem Revenues of the City or other legally available funds sufficient to pay the principal of and interest on the Loan when due. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues to the Sinking Fund shall be cumulative, and shall continue until such Non-Ad Valorem Revenues in amounts sufficient to pay the principal of and interest on the Loan when due shall have been budgeted, appropriated and actually paid to the Lender. The City further acknowledges and agrees that the obligations of the City to include the amount of payments due on the Loan in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Neither this Loan Agreement nor the obligations of the City hereunder shall be construed as a pledge of or a lien on any legally available Non-Ad Valorem Revenues of the City.

The City reserves the right to discontinue or reduce the level of any of its activities which generate user service charges or regulatory fees, and the City shall never be required or compelled by or for the benefit of the Lender to increase, or maintain at any particular level, any user service charges or regulatory fees.

**Section 7. Prepayment.** The Note may be prepaid prior to maturity in whole or in part on any date at a prepayment price of par plus accrued interest to the date of prepayment and without premium. Notice of any prepayment, identifying the Note or portion thereof to be prepaid shall be mailed by the City, first-class mail, postage prepaid, to the Lender at least thirty (30) days prior to the date fixed for prepayment at its Notice Address hereunder. Prepayments of the Note or a portion thereof from grant revenues received in connection with the Project will be applied to reduce all remaining principal installments equally. Prepayments from other sources will be applied to reduce the remaining principal installments of the Note in inverse order of maturity.

**Section 8. Application of Loan Proceeds.** All proceeds received from the Loan shall be deposited in a Loan Fund to be separately accounted for, and shall be promptly applied by the City for payment of the cost of the Project described in Section 2A hereof.

**Section 9. General Covenants of the City.**

(1) The City will provide to the Lender (a) annual financial statements of the City prepared by an independent accounting firm in accordance with generally accepted accounting principles promptly after the date such statements are available, but not later than the two hundred tenth (210th) day following the end of each Fiscal Year and accompanied by an unqualified opinion of such accounting firm, which financial statements include specifically all receipts of and application of Gross Revenues, Net Revenues and Non-Ad Valorem Revenues hereunder, and (b) a copy of the City's annual budget and any amendments thereto, within thirty (30) days after its adoption.

(2) The City will maintain a system of accounting in accordance with generally accepted accounting principles, and will obtain a certificate of the accountants preparing such statements addressed to the City Finance Officer stating that either (i) during the course of their audit of the financial statements of the City nothing came to their attention which led them to believe that the City was in default under this Loan Agreement, or (ii) the nature and extent of any matter which led them to believe that such default had occurred.

(3) The City shall provide to the Lender such other information as the Lender shall reasonably request from time to time to be submitted to it within a reasonable time period.

(4) The City shall submit to the Lender, on a quarterly basis, within twenty (20) days after the end of each calendar quarter, a schedule of cash and investments, by type.

(5) The City will immediately give the Lender written notice of any Event of Default or an event which with the passage of time would become an Event of Default under this Loan Agreement of which it shall have actual knowledge or written notice.

(6) The Lender shall be permitted, at all reasonable times, to examine the books and records of the City.

(7) It shall be an "Event of Default" under this Loan Agreement if:

(i) the City shall fail to pay maturing principal and interest on the Note when due;

(ii) the City shall fail to comply with any other covenant made in this Loan Agreement, which failure shall continue for more than thirty (30) days;

(iii) The maturity of any other obligations payable from Net Revenues or Non-Ad Valorem Revenues shall have been accelerated following an event of default related thereto, or a default shall have occurred respecting any other obligation payable from Net Revenues or Non-Valorem Revenues or any part thereof; or

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

(8) Following an Event of Default, the Lender (a) may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, (b) may enforce and compel the performance of all duties required herein or by any applicable statutes to be performed by the City or by any officer thereof, and (c) if any Event of Default has occurred and is continuing may by notice in writing to the City, declare the principal of the Note then unpaid to be immediately due and payable, and upon such declaration the principal of the Note, together with interest accrued thereon, to the date of such declaration, shall become due and payable immediately at the place of payment provided therein, anything in this Loan Agreement or in the Note to the contrary notwithstanding.

If after the principal of the Note has been so declared to be due and payable, (i) all arrears of interest upon the Note (and interest on overdue installments of interest) and overdue installments of principal, if any, are paid by the City, (ii) the City also performs all other things in respect to which it may have been in default hereunder and (iii) the City pays the reasonable charges of the Lender, including reasonable attorneys' fees, then, and in every such case, the Lender by written notice to the City, may, but shall not be required to, annul such declaration and its consequences and such annulment shall be binding upon the Lender but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

Nothing herein, however, shall be construed to grant to the Lender any lien on the assets of the City, except the Net Revenues, until spent as provided herein.

(9) The City will not issue any other obligations payable from the Net Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge against the Net Revenues, or any part thereof, except with the prior written consent of the Lender.

**Section 10. Waiver of Jury Trial.** WITH RESPECT TO ANY SUIT OR ACTION BETWEEN THE CITY AND THE LENDER RELATING TO THE LOAN, OR THIS LOAN AGREEMENT, THE CITY AND THE LENDER EACH EXPRESSLY WAIVES ANY RIGHT TO A JURY TRIAL, AND AGREES THAT THE EXCLUSIVE VENUE FOR ANY SUCH SUIT OR ACTION SHALL BE PUTNAM COUNTY, FLORIDA.

**Section 11. Notice Address.** Notices shall be given by each party to the other at the Notice Address set forth below by first class mail, postage prepaid, or sent by facsimile transmission to the telephone number set forth below. Either party may change its Notice Address by giving notice of such change in the same manner.

***Notice Addresses***

As to the City: Woody Boynton, City Manager  
Ruby Williams, Finance Director  
City of Palatka  
201 N. Second Street  
Palatka, Florida 32177  
(904) 329-0100

As to the Lender:

**IN WITNESS WHEREOF**, the City and the Lender have executed and delivered this Loan Agreement as of \_\_\_\_\_, 2008.

**CITY OF PALATKA, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Karl N. Flagg  
Mayor

ATTEST:

\_\_\_\_\_  
Betsy J. Driggers  
City Clerk

\_\_\_\_\_  
By: \_\_\_\_\_  
Name:  
Title:

FORM OF NOTE  
UNITED STATES OF AMERICA  
STATE OF FLORIDA  
CITY OF PALATKA, FLORIDA  
TAXABLE AIRPORT REVENUE NOTE

\$750,000

KNOW ALL MEN BY THESE PRESENTS, that the City of Palatka, Florida, a municipal corporation of the State of Florida (hereinafter called "City"), for value received, hereby promises to pay to the order of \_\_\_\_\_ (the "Lender"), in the amounts and on the Installment Payment Dates described on the attached Exhibit entitled "Annual Principal Reductions with semi-annual interest payments", the aggregate Principal Amount of \$750,000, solely from the revenues hereinafter mentioned, and to pay solely from such revenues, interest on said sum from the date of this Note or from the most recent interest payment date to which interest has been paid, at the Rate of Interest of \_\_\_\_\_ Percent (\_\_\_\_%) per annum on the unpaid balance of such Principal Amount until the payment of such Principal Amount. Interest on this Note shall be computed based upon the 360-day year, 30-day month basis.

Interest on the unpaid Principal Amount shall be payable on each \_\_\_\_\_ and \_\_\_\_\_, commencing on \_\_\_\_\_, 2008, and at maturity.

All payments shall be applied first to interest and then to principal on this Note. The principal of and interest on this Note, when due and payable, shall be paid by check or draft mailed to the Lender, at its address designated to the City, or by wire transfer to the domestic account of the Lender, upon written request and furnishing of wire transfer instructions to the City. All amounts due hereunder shall be payable in any coin or currency of the United States of America, which is at the time of payment legal tender for the payment of public or private debts.

If the date for payment of the principal of or interest on the Note shall be a Saturday, Sunday, legal holiday or a day on which the Lender (if a banking institution) or banking institutions in the State of Florida are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday or a day on which such banking institutions are authorized to close; provided, that interest shall accrue to the date of payment.

This Note evidences a Loan made pursuant to Resolution No. \_\_\_\_ of the City adopted on September 11, 2008 and a Loan Agreement dated as of \_\_\_\_\_, 2008 (the "Loan Agreement") between the City and the Lender to finance the cost of new hangars at the City's airport as described in the Loan Agreement, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended and other applicable provisions of law (the "Act").

All of the terms of the Loan Agreement are incorporated herein by reference. This Note is a special obligation of the City payable solely from the City's Net Revenues derived from operation of its Municipal Airport Facilities and from Non-Ad Valorem Revenues, all as provided in the Loan Agreement.

This Note does not constitute a general obligation, or a pledge of the faith, credit or taxing power of the City, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. Neither the State of Florida nor any political subdivision thereof, nor the City, shall be obligated to pay the principal of this Note, the interest thereon or other costs incident thereto, except from the Net Revenues and Non-Ad Valorem Revenues, in the manner provided in the Loan Agreement. It is further agreed between the City and the Lender that this Note and the indebtedness evidenced hereby shall not constitute a lien on any property of the City, except upon the Net Revenues, as provided in the Loan Agreement.

This Note may, at the option of the City, be prepaid prior to maturity in whole or in part on any date at a prepayment price (plus accrued interest to the date fixed for redemption) equal to the principal amount thereof and without premium. Prepayments of this Note or any portion thereof from grant revenues received in connection with the Project will be applied to reduce all remaining principal installments equally. Prepayments from other sources shall be applied to reduce the remaining principal installments in inverse order of maturity.

Notice of prepayment identifying the portion of this Note to be prepaid will be given by the City as provided in the Loan Agreement. All prepayments will cease to bear interest after the specified prepayment date provided funds for prepayment have been tendered to the Lender.

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

**IN WITNESS WHEREOF**, the City of Palatka, Florida, has issued this Note and has caused the same to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its official seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, as of \_\_\_\_\_, 2008.

**CITY OF PALATKA, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Karl N. Flagg  
Mayor

ATTEST:

\_\_\_\_\_  
Betsy J. Driggers  
City Clerk

**ANNUAL PRINCIPAL REDUCTIONS  
WITH SEMI-ANNUAL INTEREST PAYMENTS**

FORM OF  
REQUEST FOR PROPOSALS  
\$750,000  
CITY OF PALATKA, FLORIDA  
TAXABLE AIRPORT REVENUE NOTE

The City of Palatka, Florida (the "City") is seeking proposals relating to the financing of the Project described below through a Loan evidenced by the City's \$750,000 Taxable Airport Revenue Note (the "Note"). The City is seeking proposals on a fixed rate of interest only. Interest on the Note will be NOT tax-exempt to the holder. The Note will NOT be "bank-qualified".

The terms and conditions of the Note will include the following:

1. Amount - \$750,000, to be sold at par.
2. Amortization - Principal due in 15 equal amounts on each anniversary of the closing date.
3. Interest repayment - semi-annually on the unpaid principal balance beginning six months after the closing date.
4. Principal pre-payment - The City may pre-pay all or some of the outstanding principal of the Loan without incurring a prepayment penalty. The City anticipates the receipt of federal grants for the Project. Prepayments from grant receipts will be applied to reduce all remaining principal installments equally. Prepayments from other sources will be applied to reduce the remaining principal installments in inverse order of maturity.
5. Security - Payments of the Loan will be secured by a pledge of and a lien on (1) the net revenues received by the City from operation of its airport facilities and (2) the proceeds of federal grants received by the City for the Project. The City will also covenant to budget and appropriate from legally available non ad-valorem revenues of the General Fund of the City, if needed, sufficient money for payment of the Loan, as described in the Loan Agreement. Simultaneously the City is soliciting proposals for a \$1,250,000 Tax-Exempt Airport Revenue Note payable on a parity from the same sources.
6. Project - To finance new hangars at the City's airport facilities.
7. Public Entities Crimes and Drug-Free Workplace - Any person submitting a bid or proposal in response to this invitation must execute the enclosed Form PUR 7068, SWORN STATEMENT UNDER SECTION 287.133(A), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES, and the enclosed Drug-Free Workplace Compliance Form including proper check(s), in the space(s) provided, and enclose them with the bid/proposal.

8. Fees and Expenses – All fees and expenses that will be the responsibility of the City must be clearly outlined by the bidder in response to this RFP.

9. Interest Rates – The bidder can quote on a fixed interest rate basis only.

10. Documentation will be provided by the City's Bond Counsel, Livermore, Freeman & McWilliams, P.A., Jacksonville Beach, Florida, whose approving opinion will be provided to the bidder at the expense of the City. Accompanying this RFP are a draft resolution, loan agreement and form of Note (the "Loan Documents") to be completed with the successful bid proposal and agreed to by the bidder.

11. The Note will be issued initially in a single denomination equal to the aggregate principal amount of the Loan payable in 15 equal annual installments, as above provided.

12. The bidders are required to conduct their own investigation and evaluation of the creditworthiness of the City with respect to the Loan. The City's financial information provided with this Request for Proposal is NOT in any way intended to be a disclosure of all relevant or material facts and may not be relied upon exclusively by bidders in reaching a credit decision with respect to the Loan. The City's financial statements can be obtained by e-mailing Ruby Williams at [RWilliams@palatka-fl.gov](mailto:RWilliams@palatka-fl.gov).

Under no circumstances should any prospective proposer or any person or persons acting for or on behalf of said prospective proposer, seek to influence or gain the support of any member of the City Commission or staff favorable to the interest of any prospective proposer, or seek to influence or gain the support of any member of the Council or staff against the interest of any prospective proposer. Any such activities shall result in the exclusion of the prospective proposer from consideration by the City.

Bids for the Loan must be submitted on the form attached as Appendix A and must be received by 2:00 p.m. ET on September 8, 2008. Bids may not be withdrawn before the close of business on September 17, 2008.

The successful bidder for the Loan will be the proposer with the lowest true interest cost, taking into account any quoted fees and expenses to be paid by the City for the Loan. It is anticipated that the closing for the Loan will occur on or before September 17, 2008.

The City reserves the right to reject any and all proposals and the right to waive any irregularity or informality with respect to any proposal.

Your interest in the City of Palatka is appreciated and we look forward to receiving a proposal from your firm.

Please submit one copy to the City and one to the City's Bond Counsel at the addresses listed below:

Ruby Williams Finance Director City of Palatka 201 N. Second Street Palatka, Florida 32177 (386) 329-0100 (386) 329-0106/FAX	Daniel U. Livermore, Jr. Livermore, Freeman & McWilliams, P.A. 320 North First Street Suite 603 Jacksonville Beach, Florida 32250 (904) 399-0500 (904) 398-0500/FAX
--	--

Ruby Williams  
Finance Director

- Exhibits:  
and Note
- A. Authorizing Resolution with attached Forms of Loan Agreement
  - B. Historical Airport Net Revenues
  - C. Annual Report, FY 2006-07
  - D. Public Entity Crime Form
  - E. Drug-Free Workplace Compliance Form

APPENDIX A  
REQUEST FOR PROPOSAL

\$750,000  
CITY OF PALATKA, FLORIDA  
TAXABLE AIRPORT REVENUE NOTE

1. Name and Address of Bidder: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Contact Person of Bidder: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
Fax #: \_\_\_\_\_

3. Expenses to be paid by City:

Item

Cost

4. Interest Rate: Fixed \_\_\_\_\_  
Signature of Bidder \_\_\_\_\_  
Date \_\_\_\_\_

**Exhibit D  
To  
Resolution**

**SUCCESSFUL BID**

RESOLUTION NO. 8-46

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA; AUTHORIZING THE ISSUANCE OF A NOT EXCEEDING \$1,250,000 TAX-EXEMPT AIRPORT REVENUE NOTE TO FINANCE THE COST OF A NEW TERMINAL AT THE CITY'S MUNICIPAL AIRPORT; APPROVING A FORM OF LOAN AGREEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND OTHER ACTION IN CONNECTION WITH THE DELIVERY OF THE NOTE; AUTHORIZING AWARD OF THE NOTE TO THE SUCCESSFUL BIDDER FOLLOWING SOLICITATION OF COMPETITIVE PROPOSALS; PLEDGING THE CITY'S NET REVENUES FROM OPERATION OF ITS AIRPORT FACILITIES AND NON-AD VALOREM REVENUES TO SECURE PAYMENT OF THE NOTE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Palatka, Florida (the "City") has determined to finance the project described above over a term of fifteen (15) years;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA:

**Section 1. AUTHORITY FOR THIS RESOLUTION.** This resolution is adopted pursuant to the provisions of the Act, as defined in the Loan Agreement, a form of which is attached hereto as Exhibit A.

**Section 2. DEFINITIONS.** All terms in this resolution shall have the meanings as defined in the Loan Agreement.

**Section 3. PROJECT AUTHORIZED.** There is hereby authorized the construction and acquisition of a new terminal for the City's airport facilities.

**Section 4. AUTHORIZATION OF LOAN AND NOTE.** Subject and pursuant to the provisions of this resolution, the City is authorized to incur a Loan and to issue the Note in evidence thereof, in the form of the Loan Agreement attached hereto as Exhibit A and the Form of Note attached hereto as Exhibit B. All of the terms and covenants contained in the Loan Agreement and the Form of Note are incorporated hereby by reference.

**Section 5. SALE OF NOTE.**

(A) Findings. It is hereby found, determined and declared, that in accordance with the provisions of Part III, Chapter 218, Florida Statutes, a negotiated sale of the Note is in the best interest of the City because of the small size of the issue and the flexibility available in structuring the Note and its terms.

(B) The City has solicited proposals for purchase of the Note from area commercial banks in substantially the form attached hereto as Exhibit C. The Successful Bid shall be the best proposal in accordance with the terms of the Request for Proposals. Prospective bidders shall have been given the Request for Proposals at least three business days prior to the date for return of bids. The Request for

Proposals was provided to at least three commercial banks and to such other prospective bidders as the City Manager deemed appropriate.

(C) Award of Note. The City hereby awards the Note to SunTrust Bank as the Successful Bidder at the purchase price of par and upon the terms and conditions set forth herein, in the City's Request for Proposals and in the Successful Bid attached hereto as Exhibit D. The award has been made to the bidder offering the lowest true interest cost to the City in conformity with the terms and conditions set forth herein and in the Request for Proposals, as noted in the Summary of Bank Loan Responses prepared for the City by Dunlap & Associates, Inc. The amount of the Loan shall be \$1,250,000.

**Section 6. NECESSARY ACTION.** The Mayor and the City Clerk of the City are authorized and directed to execute and deliver the Loan Agreement and the Note to the Successful Bidder upon payment of the purchase price without further authority from the City Commission. The Mayor, City Clerk and City Manager are designated as the agents of the City in connection with the issuance and delivery of the Note and are authorized and empowered to take all actions and steps to execute and deliver any and all instruments, documents or contracts on behalf of the City which are necessary or desirable in connection with the execution and delivery of the Loan Agreement and the Note, and which are not inconsistent with the terms and provisions of this resolution.

**Section 7. EFFECTIVE DATE.** This resolution shall take effect immediately upon its adoption.

Adopted this September 17, 2008.

**CITY OF PALATKA, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Karl N. Flagg  
Mayor

ATTEST:

By: \_\_\_\_\_  
Betsy J. Driggers  
City Clerk

**EXHIBITS  
TO  
RESOLUTION**

Exhibit A - Loan Agreement

Exhibit B - Form of Note

Exhibit C - Form of Request for Proposals

Exhibit D - Successful Bid

**Exhibit A  
To  
Resolution**

**FORM OF  
LOAN AGREEMENT**

**between**

**CITY OF PALATKA**

**and**

-----

**Dated as of \_\_\_\_\_, 2008**

**\$ \_\_\_\_\_  
Tax-Exempt Airport Revenue Note**

**LOAN AGREEMENT**

**THIS LOAN AGREEMENT** (this "Agreement"), dated as of \_\_\_\_\_, 2008, by and between the **CITY OF PALATKA, FLORIDA** (the "City"), a municipal corporation under the laws of the State of Florida, and \_\_\_\_\_, \_\_\_\_\_ (the "Lender"),

**WITNESSETH:**

**WHEREAS**, the City has, by adoption of Resolution No. \_\_\_\_\_ (the "Resolution") on \_\_\_\_\_, 2008, authorized a loan (the "Loan"), in the amount of \$1,250,000 from the Lender to finance the cost of a new terminal (the "Project") at the City's Airport Facilities;

**NOW THEREFORE**, in consideration of the premises and the respective representations and covenants herein contained, the parties hereto agree as follows:

**Section 1. Definitions.** The following terms in this Agreement shall have the following meanings, unless the text otherwise expressly requires:

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

"City" means the City of Palatka, Florida.

"Cost of Operation and Maintenance" of the Facilities shall mean the current expense, paid or accrued, of operation, maintenance and repair of the Facilities, as calculated in accordance with generally accepted accounting practice, but shall not include any reserve for renewals, replacements or extraordinary repairs or any allowance for depreciation.

"Facilities" shall mean the complete and total real property comprising the Palatka Municipal Airport, including the Project and all other buildings thereon and other appurtenances thereto, all equipment and personal property used in connection with the operation and maintenance of the Palatka Municipal Airport, together with any and all improvements and additions thereto hereafter constructed or acquired.

"Gross Revenues" shall mean all income, earnings or revenues, including income from rates, fees, rentals, sales of food, beverages or goods, and other charges made and collected for the services of the Facilities, proceeds from the sale of all or part of the Facilities, and any income from the investment of funds held under this Agreement unless otherwise herein provided, derived by the City from the operation, use or sale of the Facilities.

"Net Revenues" shall mean the Gross Revenues after payment of the Cost of Operation and Maintenance of the Facilities.

"Non-Ad Valorem Revenues" means all legally available revenues and taxes (other than ad valorem taxes) derived from any source and legally available to pay principal of and interest on the Note.

"Note" means the City's Tax-Exempt Airport Revenue Note, to be issued in the principal amount of \$1,250,000.

**Section 2. Findings.** It is hereby found, determined and declared by the City that:

A. The City owns and operates the Facilities as a self-supporting enterprise. The City has determined to improve the Facilities by construction and acquisition of a new terminal.

B. The City expects to derive Net Revenues from the ownership and operation of the Facilities. The Net Revenues are not now pledged or encumbered in any manner, except for payment of the \$750,000 Taxable Airport Revenue Note (the "Parity Note") expected to be issued simultaneously with the issuance of the Note.

C. The principal of and interest on the Note and all other payments provided for in this Agreement shall be payable solely from the Net Revenues, grant revenues related to the Project, and Non-Ad Valorem Revenues as provided herein. The Note shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the City, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, or the City shall be obligated to pay the principal of the Note, the interest thereon, or other costs incidental thereto except from the Net Revenues, grant revenues and Non-Ad Valorem Revenues, in the manner provided herein. The Note shall not constitute a lien upon any property of the City, except that the Note shall be secured by a lien on the Net Revenues and grant revenues in the manner provided herein, on a parity with the lien thereon securing the Parity Note.

**Section 3. Loan.** The Lender agrees to make a Loan to the City for the purpose of financing the cost of the Project. The Loan shall be evidenced by the Note containing the terms in the Resolution, this Agreement and the proposal of the Lender.

**Section 4. Source of Payment for Loan.** The principal of and interest on the Note and all other payments provided for in this Agreement shall be payable solely from (1) a pledge of and a lien on the Net Revenues, and any grant revenues received related to the Project and (2) the Non-Ad Valorem Revenues. The Note shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the City, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, or the City shall be obligated to pay the principal of the Note, the interest thereon, or other costs incidental thereto except from the sources described in this Section, in the manner provided in this Agreement. The Note shall not constitute a lien upon any property of the City, except the Net Revenues and such grant revenues.

**Section 5. Covenants Regarding Net Revenues.** For as long as any of the principal of and interest on the Note shall be outstanding, the City covenants with the Lender as follows:

(A) **FLOW OF FUNDS.** The Gross Revenues shall be deposited as received by the City into a special fund, hereby created and designated "City of Palatka Municipal Airport Revenue Fund" (hereinafter called "Revenue Fund"). All moneys in the Revenue Fund shall be held in trust in a depository bank to be subsequently designated by the City and applied as hereinafter provided. All moneys at any time remaining on deposit in the Revenue Fund shall be applied monthly in the following manner and order of priority for the following purposes:

(1) First, for payment of all Costs of Operation and Maintenance for such month.

(2) Second, an amount equal to the principal of and interest due on the Note and the Parity Note for the current Fiscal Year and any arrearages in the payment of principal of or interest on the Note shall be deposited, from the first Gross Revenues available for such purpose in each Fiscal Year, in the Sinking Fund described in Subsection 5(B) hereof. Moneys on deposit in the Sinking Fund shall be applied first to the payment of interest and second to the payment of principal, on the Note and the Parity Note.

(3) After all such required payments have been made, including all deficiencies in prior payments, the balance in the Revenue Fund in each Fiscal Year may be used for any lawful purpose of the City.

(B) **SINKING FUND.** There is hereby created and established a separate fund to be designated "Sinking Fund" (hereinafter called "Sinking Fund"). On each interest and principal payment date following the issuance of the Note, the City shall pay the principal of and interest due on the Note and the Parity Note on such date from the moneys in the Sinking Fund.

(C) **INVESTMENTS AND ACCOUNTING.**

(1) Monies on deposit in the Sinking Fund shall be invested and reinvested only in lawful investments for the City, provided such investments either mature or are redeemable at not less than par at the option of the City not later than the dates on which the moneys on deposit therein will be needed for the purpose of such Fund. All income on such investments shall remain in each account in the Sinking Fund.

(2) The cash required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds as herein provided.

(3) The designation and establishment of the various funds and accounts in and by this Agreement 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 and assets of the City for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

(4) RATES. Unless waived by the Lender from time to time for any particular period of time, the City will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the services of the Facilities as will always provide Gross Revenues in each Fiscal Year sufficient to pay, and out of such funds pay, 100% of all Costs of Operation and Maintenance of the Facilities in such year and all principal of and interest due on the Note in such year. Such rates, fees, rentals and other charges shall not be reduced as to be insufficient to provide adequate Gross Revenues for such purposes.

(5) NO MORTGAGE OR SALE OF THE FACILITIES. The City will not sell, lease, mortgage, pledge or otherwise encumber the Facilities or any substantial part thereof, or any Gross Revenues or Net Revenues to be derived therefrom, except as herein provided.

The City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Facilities which the City shall hereafter determine, in the manner provided herein, to be no longer necessary, useful or profitable in the operation of the Facilities. Prior to any such sale, lease or other disposition of said property, if the amount to be received therefor is not in excess of \$50,000, the Director of Finance of the City or other duly authorized officer in charge thereof shall make a finding in writing determining that such property comprising a part of the Facilities is no longer necessary, useful or profitable in the operation thereof.

The Facilities may be sold, lease or otherwise disposed of in amounts in excess of \$50,000 upon such terms and conditions as shall be acceptable to the Lender. Notwithstanding any other provision herein, any sale, lease or other disposition of the Facilities shall not occur without prior receipt by the City of an opinion from nationally recognized Bond Counsel to the effect that such sale, lease or other encumbrance does not adversely affect the tax-exempt nature of the Note.

The proceeds derived from any sale, lease or other disposition of said property described in this Section shall be considered Gross Revenues in the year in which such proceeds are received and shall be applied to prepay the Note.

(6) INSURANCE. The City will carry or cause to be carried (1) hazard insurance (including builders' risk insurance) on the clubhouse building and other improvements on the Facilities in the amount of its replacement value, naming the Lender as "Mortgagee" and a loss payee, and (2) other insurance on the Facilities and its operation of the kinds and in the amount ordinarily carried by similar facilities in Florida. All moneys received for losses under any of such insurance, except public liability, are hereby pledged by the City as security for the Loan. Proceeds for losses of less than \$50,000 shall be used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the

property destroyed as soon as practicable or shall be used to prepay the Note within such period. Proceeds for losses greater than \$50,000 shall be used to prepay the Note unless the City receives the written consent of the Lender to allow use the repair or reconstruction. Such consent may not be unreasonably withheld provided the City is current in all required payments hereunder and that the Lender receives assurances that the City will continue to meet the debt service payments on the Note and that the Facilities can be repaired and/or reconstructed from amounts on hand.

(7) OPERATION AND MAINTENANCE OF FACILITIES. The City will maintain or cause to be maintained the Facilities and all parts thereof in good condition and will operate or cause to be operated the same in an efficient and economical manner, making or causing to be made such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(8) NO FREE SERVICE. The City will not render or cause to be rendered any free services of any nature by the Facilities, nor will any preferential rates be established for any class of users.

(9) OPERATING BUDGET. The City shall annually, prior to commencement of each of its Fiscal Years, prepare and adopt a detailed budget of the estimated expenditures for the operation and maintenance of the Facilities during such next succeeding Fiscal Year. The City shall provide a copy of such annual budget to the Lender. The City shall, in addition, supply the Lender with such other information and records regarding the City's revenues, expenses and trust accounts relating to the Facilities as the Lender may reasonably request.

(10) ENFORCEMENT OF COLLECTIONS. The City will diligently enforce and collect the Gross Revenues; will take all steps, actions and proceedings for the enforcement and collection of such Gross Revenues as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such Gross Revenues shall, as collected, be held in trust to be applied as herein provided and not otherwise.

(11) All federal, state or other grants received by the City, related to the Project, shall be deposited directly into the Sinking Fund and applied to prepay principal of the Note as promptly as practicable.

**Section 6. Covenants Regarding Non-Ad Valorem Revenues.** The City covenants and agrees to appropriate in its annual budget, by amendment, if required, to the Sinking Fund and to pay when due under this Agreement, whenever the Net Revenues are insufficient for such purpose, as promptly as money becomes available directly for payments due on the Loan, amounts of Non-Ad Valorem Revenues of the City or other legally available funds sufficient to pay the principal of and interest on the Loan when due. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues to the Sinking Fund shall be cumulative, and shall continue until such Non-Ad Valorem Revenues in amounts sufficient to pay the principal of and interest on the Loan when due shall have been budgeted, appropriated and actually paid to the Lender. The City further acknowledges and agrees that the obligations of the City to include the

amount of payments due on the Loan in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Neither this Loan Agreement nor the obligations of the City hereunder shall be construed as a pledge of or a lien on any legally available Non-Ad Valorem Revenues of the City.

The City reserves the right to discontinue or reduce the level of any of its activities which generate user service charges or regulatory fees, and the City shall never be required or compelled by or for the benefit of the Lender to increase, or maintain at any particular level, any user service charges or regulatory fees.

**Section 7. Prepayment.** The Note may be prepaid prior to maturity in whole or in part on any date at a prepayment price of par plus accrued interest to the date of prepayment and without premium. Notice of any prepayment, identifying the Note or portion thereof to be prepaid shall be mailed by the City, first-class mail, postage prepaid, to the Lender at least thirty (30) days prior to the date fixed for prepayment at its Notice Address hereunder. Prepayments of the Note or a portion thereof from grant revenues received in connection with the Project will be applied to reduce all remaining principal installments equally. Prepayments from other sources will be applied to reduce the remaining principal installments of the Note in inverse order of maturity.

**Section 8. Application of Loan Proceeds.** All proceeds received from the Loan shall be deposited in a Loan Fund to be separately accounted for, and shall be promptly applied by the City for payment of the cost of the Project described in Section 2A hereof.

**Section 9. General Covenants of the City.**

(1) The City will provide to the Lender (a) annual financial statements of the City prepared by an independent accounting firm in accordance with generally accepted accounting principles promptly after the date such statements are available, but not later than the two hundred tenth (210th) day following the end of each Fiscal Year and accompanied by an unqualified opinion of such accounting firm, which financial statements include specifically all receipts of and application of Gross Revenues, Net Revenues and Non-Ad Valorem Revenues hereunder, and (b) a copy of the City's annual budget and any amendments thereto, within thirty (30) days after its adoption.

(2) The City will maintain a system of accounting in accordance with generally accepted accounting principles, and will obtain a certificate of the accountants preparing such statements addressed to the City Finance Officer stating that either (i) during the course of their audit of the financial statements of the City nothing came to their attention which led them to believe that the City was in default under this Loan Agreement, or (ii) the nature and extent of any matter which led them to believe that such default had occurred.

(3) The City shall provide to the Lender such other information as the Lender shall reasonably request from time to time to be submitted to it within a reasonable time period.

(4) The City shall submit to the Lender, on a quarterly basis, within twenty (20) days after the end of each calendar quarter, a schedule of cash and investments, by type.

(5) The City will immediately give the Lender written notice of any Event of Default or an event which with the passage of time would become an Event of Default under this Loan Agreement of which it shall have actual knowledge or written notice.

(6) The Lender shall be permitted, at all reasonable times, to examine the books and records of the City.

(7) It shall be an "Event of Default" under this Loan Agreement if:

(i) the City shall fail to pay maturing principal and interest on the Note when due;

(ii) the City shall fail to comply with any other covenant made in this Loan Agreement, which failure shall continue for more than thirty (30) days;

(iii) The maturity of any other obligations payable from Net Revenues or Non-Ad Valorem Revenues shall have been accelerated following an event of default related thereto, or a default shall have occurred respecting any other obligation payable from Net Revenues or Non-Valorem Revenues or any part thereof; or

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

(8) Following an Event of Default, the Lender (a) may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, (b) may enforce and compel the performance of all duties required herein or by any applicable statutes to be performed by the City or by any officer thereof, and (c) if any Event of Default has occurred and is continuing may by notice in writing to the City, declare the principal of the Note then unpaid to be immediately due and payable, and upon such declaration the principal of the Note,

together with interest accrued thereon, to the date of such declaration, shall become due and payable immediately at the place of payment provided therein, anything in this Loan Agreement or in the Note to the contrary notwithstanding.

If after the principal of the Note has been so declared to be due and payable, (i) all arrears of interest upon the Note (and interest on overdue installments of interest) and overdue installments of principal, if any, are paid by the City, (ii) the City also performs all other things in respect to which it may have been in default hereunder and (iii) the City pays the reasonable charges of the Lender, including reasonable attorneys' fees, then, and in every such case, the Lender by written notice to the City, may, but shall not be required to, annul such declaration and its consequences and such annulment shall be binding upon the Lender but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

Nothing herein, however, shall be construed to grant to the Lender any lien on the assets of the City, except the Net Revenues, until spent as provided herein.

(9) The City will not issue any other obligations payable from the Net Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge against the Net Revenues, or any part thereof, except with the prior written consent of the Lender.

(10) The City will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code") in order to ensure that the interest on the Note will be excluded from gross income from federal income tax purposes and that the Note will not be or become a "private activity bond" under the Code, and that the Note will retain its status as a "qualified tax-exempt obligation" under Section 265 of the Code.

(11) (a) The City covenants that it will comply with all applicable rebate requirements of Section 148 of the Code. Unless, as of the end of any Fiscal Year, the City receives an opinion of bond counsel that the City is not required to determine the amount of any rebatable arbitrage with respect to such Fiscal Year, which opinion may be based in part upon a certificate of the City as to any reasonable expectations as to future events, the City will determine and set aside in a Rebate Fund, which is hereby created and established, the amount of rebatable arbitrage accrued for each Fiscal Year. Such deposits shall be made from Net Revenues or from Non-Ad Valorem Revenues after required deposits into the Sinking Fund and prior to any other use, within sixty (60) days after the end of each Fiscal Year. A copy of the calculations determining the amount of rebatable arbitrage shall be provided to the Lender promptly upon acceptance thereof, by the City's Representative. If the Lender, based upon advice of counsel, a copy of which has been provided to the City, determine that the City's determination of rebatable arbitrage is insufficient to meet the requirements of the Code, the Lender may, at the City's expense, retain counsel, accountants or other qualified experts which the Lender determines, in its sole discretion, advisable to properly determine the amount of rebatable arbitrage, due dates, and any other requirements of rebatable arbitrage and, following such determination, the City shall deposit into the Rebate Fund the

additional amount so determined, unless the City shall in good faith contest the Lender's determination.

(b) If, after any determination of accrued rebatable arbitrage, the amount on deposit in the Rebate Fund exceeds such amount, the City may withdraw the excess and transfer it to the Sinking Fund.

(c) All records relating to rebatable arbitrage shall be retained by the City until six (6) years after the final payment of the Note.

(d) At the times required by the Code, the City shall pay the rebatable arbitrage to the United States of America and shall file with such payments the forms required by the Code. The Lender shall not be liable for payment of any rebatable arbitrage.

**Section 10. Waiver of Jury Trial.** WITH RESPECT TO ANY SUIT OR ACTION BETWEEN THE CITY AND THE LENDER RELATING TO THE LOAN, OR THIS LOAN AGREEMENT, THE CITY AND THE LENDER EACH EXPRESSLY WAIVES ANY RIGHT TO A JURY TRIAL, AND AGREES THAT THE EXCLUSIVE VENUE FOR ANY SUCH SUIT OR ACTION SHALL BE PUTNAM COUNTY, FLORIDA.

**Section 11. Qualified Tax-Exempt Obligation.** The City hereby represents and finds that it reasonably anticipates not more than \$10,000,000 of tax-exempt obligations (other than certain private activity bonds) will be issued by the City and its subordinate governmental entities in calendar year 2008. The City hereby directs its Mayor to recertify these representations upon issuance of the Note, and the Note is hereby designated as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

**Section 12. Notice Address.** Notices shall be given by each party to the other at the Notice Address set forth below by first class mail, postage prepaid, or sent by facsimile transmission to the telephone number set forth below. Either party may change its Notice Address by giving notice of such change in the same manner.

***Notice Addresses***

As to the City: Woody Boynton, City Manager  
Ruby Williams, Finance Director  
City of Palatka  
201 N. Second Street  
Palatka, Florida 32177  
(904) 329-0100

As to the Lender:



**I N W I T N E S S W H E R E O F**, the City and the Lender have executed and delivered this Loan Agreement as of \_\_\_\_\_, 2008.

**CITY OF PALATKA, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Karl N. Flagg  
Mayor

ATTEST:

\_\_\_\_\_  
Betsy J. Driggers  
City Clerk

\_\_\_\_\_  
By: \_\_\_\_\_  
Name:  
Title:

**Exhibit B  
To  
Resolution**

**FORM OF NOTE  
UNITED STATES OF AMERICA  
STATE OF FLORIDA  
CITY OF PALATKA, FLORIDA  
TAX-EXEMPT AIRPORT REVENUE NOTE**

**\$1,250,000**

**KNOW ALL MEN BY THESE PRESENTS**, that the City of Palatka, Florida, a municipal corporation of the State of Florida (hereinafter called "City"), for value received, hereby promises to pay to the order of \_\_\_\_\_ (the "Lender"), in the amounts and on the Installment Payment Dates described on the attached Exhibit entitled "Annual Principal Reductions with semi-annual interest payments", the aggregate Principal Amount of \$1,250,000, solely from the revenues hereinafter mentioned, and to pay solely from such revenues, interest on said sum from the date of this Note or from the most recent interest payment date to which interest has been paid, at the Rate of Interest of \_\_\_\_\_ Percent (\_\_\_\_%) per annum on the unpaid balance of such Principal Amount until the payment of such Principal Amount. Interest on this Note shall be computed based upon the 360-day year, 30-day month basis.

Interest on the unpaid Principal Amount shall be payable on each \_\_\_\_\_ and \_\_\_\_\_, commencing on \_\_\_\_\_, 2008, and at maturity.

All payments shall be applied first to interest and then to principal on this Note. The principal of and interest on this Note, when due and payable, shall be paid by check or draft mailed to the Lender, at its address designated to the City, or by wire transfer to the domestic account of the Lender, upon written request and furnishing of wire transfer instructions to the City. All amounts due hereunder shall be payable in any coin or currency of the United States of America, which is at the time of payment legal tender for the payment of public or private debts.

If the date for payment of the principal of or interest on the Note shall be a Saturday, Sunday, legal holiday or a day on which the Lender (if a banking institution) or banking institutions in the State of Florida are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday or a day on which such banking institutions are authorized to close; provided, that interest shall accrue to the date of payment.

This Note evidences a Loan made pursuant to Resolution No. \_\_\_\_ of the City adopted on September 11, 2008 and a Loan Agreement dated as of \_\_\_\_\_, 2008 (the "Loan Agreement") between the City and the Lender to finance the cost of a new terminal at the City's airport as described in the Loan Agreement, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended and other applicable provisions of law (the "Act").

All of the terms of the Loan Agreement are incorporated herein by reference. This Note is a special obligation of the City payable solely from the City's Net Revenues derived from operation of its Municipal Airport Facilities and from Non-Ad Valorem Revenues, all as provided in the Loan Agreement.

This Note does not constitute a general obligation, or a pledge of the faith, credit or taxing power of the City, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. Neither the State of Florida nor any political subdivision thereof, nor the City, shall be obligated to pay the principal of this Note, the interest thereon or other costs incident thereto, except from the Net Revenues and Non-Ad Valorem Revenues, in the manner provided in the Loan Agreement. It is further agreed between the City and the Lender that this Note and the indebtedness evidenced hereby shall not constitute a lien on any property of the City, except upon the Net Revenues, as provided in the Loan Agreement.

This Note may, at the option of the City, be prepaid prior to maturity in whole or in part on any date at a prepayment price (plus accrued interest to the date fixed for redemption) equal to the principal amount thereof and without premium. Prepayments of this Note or any portion thereof from grant revenues received in connection with the Project will be applied to reduce all remaining principal installments equally. Prepayments from other sources shall be applied to reduce the remaining principal installments in inverse order of maturity.

Notice of prepayment identifying the portion of this Note to be prepaid will be given by the City as provided in the Loan Agreement. All prepayments will cease to bear interest after the specified prepayment date provided funds for prepayment have been tendered to the Lender.

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

**IN WITNESS WHEREOF**, the City of Palatka, Florida, has issued this Note and has caused the same to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its official seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, as of \_\_\_\_\_, 2008.

**CITY OF PALATKA, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Karl N. Flagg  
Mayor

ATTEST:

\_\_\_\_\_  
Betsy J. Driggers  
City Clerk

**ANNUAL PRINCIPAL REDUCTIONS  
WITH SEM-ANNUAL INTEREST PAYMENTS**

**FORM OF  
REQUEST FOR PROPOSALS  
\$1,250,000  
CITY OF PALATKA, FLORIDA  
TAX-EXEMPT AIRPORT REVENUE NOTE**

The City of Palatka, Florida (the "City") is seeking proposals relating to the financing of the Project described below through a Loan evidenced by the City's \$1,250,000 Tax-Exempt Airport Revenue Note (the "Note"). The City is seeking proposals on a fixed rate of interest only. Interest on the Note will be tax-exempt to the holder. The Note will be "bank-qualified".

The terms and conditions of the Note will include the following:

1. Amount - \$1,250,000, to be sold at par.
2. Amortization - Principal due in 15 equal amounts on each anniversary of the closing date.
3. Interest repayment - semi-annually on the unpaid principal balance beginning six months after the closing date.
4. Principal pre-payment - The City may pre-pay all or some of the outstanding principal of the Loan without incurring a prepayment penalty. The City anticipates the receipt of approximately \$800,000 in federal grants for the Project. Prepayments from grant receipts will be applied to reduce all remaining principal installments equally. Prepayments from other sources will be applied to reduce the remaining principal installments in inverse order of maturity.
5. Security - Payments of the Loan will be secured by a pledge of and a lien on (1) the net revenues received by the City from operation of its airport facilities and (2) the proceeds of federal grants received by the City for the Project. The City will also covenant to budget and appropriate from legally available non ad-valorem revenues of the General Fund of the City, if needed, sufficient money for payment of the Loan, as described in the Loan Agreement. Simultaneously the City is soliciting proposals for a \$750,000 Taxable Airport Revenue Note payable on a parity from the same sources.
6. Project - To finance a new terminal at the City's airport facilities.
7. Public Entities Crimes and Drug-Free Workplace - Any person submitting a bid or proposal in response to this invitation must execute the enclosed Form PUR 7068, SWORN STATEMENT UNDER SECTION 287.133(A), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES, and the enclosed Drug-Free Workplace Compliance Form including proper check(s), in the space(s) provided, and enclose them with the bid/proposal.

8. Fees and Expenses – All fees and expenses that will be the responsibility of the City must be clearly outlined by the bidder in response to this RFP.

9. Interest Rates – The bidder can quote on a fixed interest rate basis only.

10. Documentation will be provided by the City’s Bond Counsel, Livermore, Freeman & McWilliams, P.A., Jacksonville Beach, Florida, whose approving opinion will be provided to the bidder at the expense of the City. Accompanying this RFP are a draft resolution, loan agreement and form of Note (the “Loan Documents”) to be completed with the successful bid proposal and agreed to by the bidder.

11. The Note will be issued initially in a single denomination equal to the aggregate principal amount of the Loan payable in 15 equal annual installments, as above provided.

12. The bidders are required to conduct their own investigation and evaluation of the creditworthiness of the City with respect to the Loan. The City’s financial information provided with this Request for Proposal is NOT in any way intended to be a disclosure of all relevant or material facts and may not be relied upon exclusively by bidders in reaching a credit decision with respect to the Loan. The City’s financial statements can be obtained by e-mailing Ruby Williams at [RWilliams@palatka-fl.gov](mailto:RWilliams@palatka-fl.gov).

Under no circumstances should any prospective proposer or any person or persons acting for or on behalf of said prospective proposer, seek to influence or gain the support of any member of the City Commission or staff favorable to the interest of any prospective proposer, or seek to influence or gain the support of any member of the Council or staff against the interest of any prospective proposer. Any such activities shall result in the exclusion of the prospective proposer from consideration by the City.

Bids for the Loan must be submitted on the form attached as Appendix A and must be received by 2:00 p.m. ET on September 8, 2008. Bids may not be withdrawn before the close of business on September 17, 2008.

The successful bidder for the Loan will be the proposer with the lowest true interest cost, taking into account any quoted fees and expenses to be paid by the City for the Loan. It is anticipated that the closing for the Loan will occur on or before September 17, 2008.

The City reserves the right to reject any and all proposals and the right to waive any irregularity or informality with respect to any proposal.

Your interest in the City of Palatka is appreciated and we look forward to receiving a proposal from your firm.

Please submit one copy to the City and one to the City’s Bond Counsel at the addresses listed below:

Ruby Williams Finance Director	Daniel U. Livermore, Jr. Livermore, Freeman &
-----------------------------------	--

City of Palatka 201 N. Second Street Palatka, Florida 32177 (386) 329-0100 (386) 329-0106/FAX	McWilliams, P.A. 320 North First Street Suite 603 Jacksonville Beach, Florida 32250 (904) 399-0500 (904) 398-0500/FAX
---	--

Ruby Williams  
Finance Director

- Exhibits:  
and Note
- A. Authorizing Resolution with attached Forms of Loan Agreement
  - B. Historical Airport Net Revenues
  - C. Annual Report, FY 2006-07
  - D. Public Entity Crime Form
  - E. Drug-Free Workplace Compliance Form

**APPENDIX A  
REQUEST FOR PROPOSAL**

**\$1,250,000  
CITY OF PALATKA, FLORIDA  
TAX-EXEMPT AIRPORT REVENUE NOTE**

1. Name and Address of Bidder: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Contact Person of Bidder: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
Fax #: \_\_\_\_\_

3. Expenses to be paid by City:

<u>Item</u>	<u>Cost</u>
4. Interest Rate: Fixed	_____
Signature of Bidder	_____
Date	_____

**Exhibit D  
To  
Resolution**

**SUCCESSFUL BID**

RESOLUTION NO. 8-47

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA; AUTHORIZING THE ISSUANCE OF A NOT EXCEEDING \$1,700,000 TAXABLE GOLF COURSE REVENUE NOTE TO PROVIDE FUNDS TO REFUND THE CITY'S OUTSTANDING GOLF COURSE REVENUE BONDS, SERIES 2000 AND TO REIMBURSE THE CITY'S GENERAL FUND FOR PRIOR ADVANCES FOR OPERATING EXPENSES AND FOR GOLF COURSE FACILITIES (FUNDED BY THE CITY'S NOTE DATED MAY 16, 2005 IN THE OUTSTANDING PRINCIPAL AMOUNT OF \$39,446.33) AND FOR PRIOR ADVANCES FROM CERTAIN ENTERPRISE FUNDS FOR GOLF COURSE OPERATING DEFICITS; APPROVING A FORM OF LOAN AGREEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND OTHER ACTION IN CONNECTION WITH THE DELIVERY OF THE NOTE; AUTHORIZING AWARD OF THE NOTE TO THE SUCCESSFUL BIDDER FOLLOWING SOLICITATION OF COMPETITIVE PROPOSALS; PLEDGING THE CITY'S NET REVENUES FROM OPERATION OF ITS GOLF COURSE FACILITIES AND NON-AD VALOREM REVENUES TO SECURE PAYMENT OF THE NOTE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Palatka, Florida (the "City") has determined to refinance the obligations described above over a term of fifteen (15) years;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA:

**Section 1. AUTHORITY FOR THIS RESOLUTION.** This resolution is adopted pursuant to the provisions of the Act, as defined in the Loan Agreement, a form of which is attached hereto as Exhibit A.

**Section 2. DEFINITIONS.** All terms in this resolution shall have the meanings as defined in the Loan Agreement.

**Section 3. REFINANCING AUTHORIZED.** There is hereby authorized the refinancing of and the obligations described in the title of this Resolution.

**Section 4. AUTHORIZATION OF LOAN AND NOTE.** Subject and pursuant to the provisions of this resolution, the City is authorized to incur a Loan and to issue the Note in evidence thereof, in the form of the Loan Agreement attached hereto as Exhibit A and the Form of Note attached hereto as Exhibit B. All of the terms and covenants contained in the Loan Agreement and the Form of Note are incorporated hereby by reference.

**Section 5. SALE OF NOTE.**

(A) Findings. It is hereby found, determined and declared, that in accordance with the provisions of Part III, Chapter 218, Florida Statutes, a negotiated sale of the Note is in the best interest of the City because of the small size of the issue and the flexibility available in structuring the Note and its terms.

(B) The City has solicited proposals for purchase of the Note from area commercial banks in substantially the form attached hereto as Exhibit C. The Successful Bid shall be the best proposal in accordance with the terms of the Request for Proposals. Prospective bidders shall have been given the Request for Proposals at least three business days prior to the date for return of bids. The Request for Proposals was provided to at least three commercial banks and to such other prospective bidders as the City Manager deemed appropriate.

(C) Award of Note. The City hereby awards the Note to SunTrust Bank as the Successful Bidder at the purchase price of par and upon the terms and conditions set forth herein, in the City's Request for Proposals and in the Successful Bid attached hereto as Exhibit D. The award has been made to the bidder offering the lowest true interest cost to the City in conformity with the terms and conditions set forth herein and in the Request for Proposals, as noted in the Summary of Bank Loan Responses prepared for the City by Dunlap & Associates, Inc. The amount of the Loan shall be \$1,700,000.

**Section 6. NECESSARY ACTION.** The Mayor and the City Clerk of the City are authorized and directed to execute and deliver the Loan Agreement and the Note to the Successful Bidder upon payment of the purchase price without further authority from the City Commission. The Mayor, City Clerk and City Manager are designated as the agents of the City in connection with the issuance and delivery of the Note and are authorized and empowered to take all actions and steps to execute and deliver any and all instruments, documents or contracts on behalf of the City which are necessary or desirable in connection with the execution and delivery of the Loan Agreement and the Note, and which are not inconsistent with the terms and provisions of this resolution.

**Section 7. EFFECTIVE DATE.** This resolution shall take effect immediately upon its adoption.

Adopted this September 17, 2008.

**CITY OF PALATKA, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Karl N. Flagg  
Mayor

ATTEST:

By: \_\_\_\_\_  
Betsy J. Driggers  
City Clerk

**EXHIBITS  
TO  
RESOLUTION**

Exhibit A - Loan Agreement

Exhibit B - Form of Note

Exhibit C - Form of Request for Proposals

Exhibit D - Successful Bid

**Exhibit A  
To  
Resolution**

**FORM OF  
LOAN AGREEMENT**

**between**

**CITY OF PALATKA**

**and**

-----

**Dated as of \_\_\_\_\_, 2008**

**\$ \_\_\_\_\_  
Taxable Golf Course Revenue Note**

**LOAN AGREEMENT**

**THIS LOAN AGREEMENT** (this "Agreement"), dated as of \_\_\_\_\_, 2008, by and between the **CITY OF PALATKA, FLORIDA** (the "City"), a municipal corporation under the laws of the State of Florida, and \_\_\_\_\_ (the "Lender"),

**W TNESSETH**

**WHEREAS**, the City has, by adoption of Resolution No. \_\_\_\_\_ (the "Resolution") on \_\_\_\_\_, 2008, authorized a loan (the "Loan"), in the amount of \$1,700,000 from the Lender to refund the City's Outstanding Golf Course Revenue Bonds, Series 2000 and to reimburse the City's General Fund for prior advances for operating expenses and for golf course facilities (funded by the City's Note dated May 16, 2005 in the outstanding principal amount of \$39,446.33) and for prior advances from certain enterprise funds for golf course operating deficits;

**NOW THEREFORE**, in consideration of the premises and the respective representations and covenants herein contained, the parties hereto agree as follows:

**Section 1. Definitions.** The following terms in this Agreement shall have the following meanings, unless the text otherwise expressly requires:

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

"City" means the City of Palatka, Florida.

"Cost of Operation and Maintenance" of the Facilities shall mean the current expense, paid or accrued, of operation, maintenance and repair of the Facilities, as calculated in accordance with generally accepted accounting practice, but shall not include any reserve for renewals, replacements or extraordinary repairs or any allowance for depreciation.

"Facilities" shall mean the complete and total real property comprising the Palatka Municipal Golf Course, including the clubhouse and all other buildings and other appurtenances thereto, all golf carts and other equipment and personal property used in connection with the operation and maintenance of the golf course, together with any and all improvements and additions thereto hereafter constructed or acquired.

"Gross Revenues" shall mean all income, earnings or revenues, including income from rates, fees, rentals, membership fees, greens fees, cart rentals, sales of food, beverages or goods, and other charges made and collected for the services of the Facilities, proceeds from the sale of all or part of the Facilities, and any income from the investment of funds held under this Agreement unless otherwise herein provided, derived by the City from the operation, use or sale of the Facilities.

"Net Revenues" shall mean the Gross Revenues after payment of the Cost of Operation and Maintenance of the Facilities.

"Non-Ad Valorem Revenues" means all legally available revenues and taxes (other than ad valorem taxes) derived from any source and legally available to pay principal of and interest on the Note.

"Note" means the City's Taxable Golf Course Revenue Note, to be issued in the principal amount of \$1,700,000.

**Section 2. Findings.** It is hereby found, determined and declared by the City that:

A. In order to provide a sound basis for operating the City's Facilities as a self-supporting enterprise, the City has determined to refund the City's Outstanding Golf Course Revenue Bonds, Series 2000 and to reimburse the City's General Fund for prior advances for operating expenses and for golf course facilities (funded by the City's Note dated May 16, 2005 in the outstanding principal amount of \$39,446.33) and for prior advances from certain enterprise funds for golf course operating deficits.

B. The City expects to derive Net Revenues from the ownership and operation of the Facilities. The Net Revenues are not now pledged or encumbered in any manner, except for payment of the obligations described in Section 2A above, all of which will be retired on the date of the Loan from the proceeds of the Loan.

C. The principal of and interest on the Note and all other payments provided for in this Agreement shall be payable solely from the Net Revenues and Non-Ad Valorem Revenues as provided herein. The Note shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the City, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, or the City shall be obligated to pay the principal of the Note, the interest thereon, or other costs incidental thereto except from the Net Revenues and Non-Ad Valorem Revenues, in the manner provided herein. The Note shall not constitute a lien upon any property of the City, except that the Note shall be secured by a lien on the Net Revenues in the manner provided herein.

**Section 3. Loan.** The Lender agrees to make a Loan to the City for the purpose of refinancing the obligations described above. The Loan shall be evidenced by the Note containing the terms in the Resolution, this Agreement and the proposal of the Lender.

**Section 4. Source of Payment for Loan.** The principal of and interest on the Note and all other payments provided for in this Agreement shall be payable solely from (1) a pledge of and a lien on the Net Revenues, and (2) the Non-Ad Valorem Revenues. The Note shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the City, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, or the City shall be obligated to

pay the principal of the Note, the interest thereon, or other costs incidental thereto except from the sources described in this Section, in the manner provided in this Agreement. The Note shall not constitute a lien upon any property of the City, except the Net Revenues.

**Section 5. Covenants Regarding Net Revenues.** For as long as any of the principal of and interest on the Note shall be outstanding, the City covenants with the Lender as follows:

(A) **FLOW OF FUNDS.** The Gross Revenues shall be deposited as received by the City into a special fund, hereby created and designated "City of Palatka Municipal Golf Course Revenue Fund" (hereinafter called "Revenue Fund"). All moneys in the Revenue Fund shall be held in trust in a depository bank to be subsequently designated by the City and applied as hereinafter provided. All moneys at any time remaining on deposit in the Revenue Fund shall be applied monthly in the following manner and order of priority for the following purposes:

(1) First, for payment of all Costs of Operation and Maintenance for such month.

(2) Second, an amount equal to the principal of and interest due on the Note for the current Fiscal Year and any arrearages in the payment of principal of or interest on the Note shall be deposited, from the first Gross Revenues available for such purpose in each Fiscal Year, in the Sinking Fund described in Subsection 5(B) hereof. Moneys on deposit in the Sinking Fund shall be applied first to the payment of interest and second to the payment of principal, on the Note.

(3) After all such required payments have been made, including all deficiencies in prior payments, the balance in the Revenue Fund in each Fiscal Year may be used for any lawful purpose of the City.

(B) **SINKING FUND.** There is hereby created and established a separate fund to be designated "Sinking Fund" (hereinafter called "Sinking Fund. On each interest and principal payment date following the issuance of the Note, the City shall pay the principal of and interest due on the Note on such date from the moneys in the Sinking Fund.

(C) **INVESTMENTS AND ACCOUNTING.**

(1) Monies on deposit in the Sinking Fund shall be invested and reinvested only in lawful investments for the City, provided such investments either mature or are redeemable at not less than par at the option of the City not later than the dates on which the moneys on deposit therein will be needed for the purpose of such Fund. All income on such investments shall remain in each account in the Sinking Fund.

(2) The cash required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds as herein provided.

(3) The designation and establishment of the various funds and accounts in and by this Agreement 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 and assets of the City for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

(4) **RATES.** Unless waived by the Lender from time to time for any particular period of time, the City will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the services of the Facilities as will always provide Gross Revenues in each Fiscal Year sufficient to pay, and out of such funds pay, 100% of all Costs of Operation and Maintenance of the Facilities in such year and all principal of and interest due on the Note in such year. Such rates, fees, rentals and other charges shall not be reduced as to be insufficient to provide adequate Gross Revenues for such purposes.

(5) **NO MORTGAGE OR SALE OF THE FACILITIES.** The City will not sell, lease, mortgage, pledge or otherwise encumber the Facilities or any substantial part thereof, or any Gross Revenues or Net Revenues to be derived therefrom, except as herein provided.

The City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Facilities which the City shall hereafter determine, in the manner provided herein, to be no longer necessary, useful or profitable in the operation of the Facilities. Prior to any such sale, lease or other disposition of said property, if the amount to be received therefor is not in excess of \$50,000, the Director of Finance of the City or other duly authorized officer in charge thereof shall make a finding in writing determining that such property comprising a part of the Facilities is no longer necessary, useful or profitable in the operation thereof.

The Facilities may be sold, lease or otherwise disposed of in amounts in excess of \$50,000 upon such terms and conditions as shall be acceptable to the Lender.

The proceeds derived from any sale, lease or other disposition of said property described in this Section shall be considered Gross Revenues in the year in which such proceeds are received and shall be applied to prepay the Note.

(6) **INSURANCE.** The City will carry or cause to be carried (1) hazard insurance (including builders' risk insurance) on the clubhouse building and other improvements on the Facilities in the amount of its replacement value, naming the Lender as "Mortgagee" and a loss payee, and (2) other insurance on the Facilities and its operation of the kinds and in the amount ordinarily carried by similar facilities in Florida. All moneys received for losses under any of such insurance, except public liability, are hereby pledged by the City as security for the Loan. Proceeds for losses of less than \$50,000 shall be used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed as soon as practicable or shall be used to prepay the Note within

such period. Proceeds for losses greater than \$50,000 shall be used to prepay the Note unless the City receives the written consent of the Lender to allow use the repair or reconstruction. Such consent may not be unreasonably withheld provided the City is current in all required payments hereunder and that the Lender receives assurances that the City will continue to meet the debt service payments on the Note and that the Facilities can be repaired and/or reconstructed from amounts on hand.

(7) OPERATION AND MAINTENANCE OF FACILITIES. The City will maintain or cause to be maintained the Facilities and all parts thereof in good condition and will operate or cause to be operated the same in an efficient and economical manner, making or causing to be made such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(8) NO FREE SERVICE. The City will not render or cause to be rendered any free services of any nature by the Facilities, nor will any preferential rates be established for any class of users.

(9) OPERATING BUDGET. The City shall annually, prior to commencement of each of its Fiscal Years, prepare and adopt a detailed budget of the estimated expenditures for the operation and maintenance of the Facilities during such next succeeding Fiscal Year. The City shall provide a copy of such annual budget to the Lender. The City shall, in addition, supply the Lender with such other information and records regarding the City's revenues, expenses and trust accounts relating to the Facilities as the Lender may reasonably request.

(10) ENFORCEMENT OF COLLECTIONS. The City will diligently enforce and collect the Gross Revenues; will take all steps, actions and proceedings for the enforcement and collection of such Gross Revenues as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such Gross Revenues shall, as collected, be held in trust to be applied as herein provided and not otherwise.

**Section 6. Covenants Regarding Non-Ad Valorem Revenues.** The City covenants and agrees to appropriate in its annual budget, by amendment, if required, to the Sinking Fund and to pay when due under this Agreement, whenever the Net Revenues are insufficient for such purpose, as promptly as money becomes available directly for payments due on the Loan, amounts of Non-Ad Valorem Revenues of the City or other legally available funds sufficient to pay the principal of and interest on the Loan when due. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues to the Sinking Fund shall be cumulative, and shall continue until such Non-Ad Valorem Revenues in amounts sufficient to pay the principal of and interest on the Loan when due shall have been budgeted, appropriated and actually paid to the Lender. The City further acknowledges and agrees that the obligations of the City to include the amount of payments due on the Loan in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Neither this Loan Agreement nor the obligations of the City hereunder shall be construed as a pledge of or a lien on any legally available Non-Ad Valorem Revenues of the City.

The City reserves the right to discontinue or reduce the level of any of its activities which generate user service charges or regulatory fees, and the City shall never be required or compelled by or for the benefit of the Lender to increase, or maintain at any particular level, any user service charges or regulatory fees.

**Section 7. Prepayment.** The Note may be prepaid prior to maturity in whole or in part on any date at a prepayment price of par plus accrued interest to the date of prepayment and without premium. Notice of any prepayment, identifying the Note or portion thereof to be prepaid shall be mailed by the City, first-class mail, postage prepaid, to the Lender at least thirty (30) days prior to the date fixed for prepayment at its Notice Address hereunder. Prepayments will be applied to reduce the remaining principal installments of the Note in inverse order of maturity.

**Section 8. Application of Loan Proceeds.** All proceeds received from the Loan shall be deposited in a Loan Fund to be separately accounted for, and shall be promptly applied by the City for payment of the obligations described in Section 2A hereof.

**Section 9. General Covenants of the City.**

(1) The City will provide to the Lender (a) annual financial statements of the City prepared by an independent accounting firm in accordance with generally accepted accounting principles promptly after the date such statements are available, but not later than the two hundred tenth (210th) day following the end of each Fiscal Year and accompanied by an unqualified opinion of such accounting firm, which financial statements include specifically all receipts of and application of Gross Revenues, Net Revenues and Non-Ad Valorem Revenues hereunder, and (b) a copy of the City's annual budget and any amendments thereto, within thirty (30) days after its adoption.

(2) The City will maintain a system of accounting in accordance with generally accepted accounting principles, and will obtain a certificate of the accountants preparing such statements addressed to the City Finance Officer stating that either (i) during the course of their audit of the financial statements of the City nothing came to their attention which led them to believe that the City was in default under this Loan Agreement, or (ii) the nature and extent of any matter which led them to believe that such default had occurred.

(3) The City shall provide to the Lender such other information as the Lender shall reasonably request from time to time to be submitted to it within a reasonable time period.

(4) The City shall submit to the Lender, on a quarterly basis, within twenty (20) days after the end of each calendar quarter, a schedule of cash and investments, by type.

(5) The City will immediately give the Lender written notice of any Event of Default or an event which with the passage of time would become an Event of Default under this Loan Agreement of which it shall have actual knowledge or written notice.

(6) The Lender shall be permitted, at all reasonable times, to examine the books and records of the City.

(7) It shall be an "Event of Default" under this Loan Agreement if:

(i) the City shall fail to pay maturing principal and interest on the Note when due;

(ii) the City shall fail to comply with any other covenant made in this Loan Agreement, which failure shall continue for more than thirty (30) days;

(iii) The maturity of any other obligations payable from Net Revenues or Non-Ad Valorem Revenues shall have been accelerated following an event of default related thereto, or a default shall have occurred respecting any other obligation payable from Net Revenues or Non-Valorem Revenues or any part thereof; or

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

(8) Following an Event of Default, the Lender (a) may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, (b) may enforce and compel the performance of all duties required herein or by any applicable statutes to be performed by the City or by any officer thereof, and (c) if any Event of Default has occurred and is continuing may by notice in writing to the City, declare the principal of the Note then unpaid to be immediately due and payable, and upon such declaration the principal of the Note, together with interest accrued thereon, to the date of such declaration, shall become due and payable immediately at the place of payment provided therein, anything in this Loan Agreement or in the Note to the contrary notwithstanding.

If after the principal of the Note has been so declared to be due and payable, (i) all arrears of interest upon the Note (and interest on overdue installments of interest) and overdue installments of principal, if any, are paid by the City, (ii) the City also performs all other things in respect to which it may have been in default hereunder

and (iii) the City pays the reasonable charges of the Lender, including reasonable attorneys' fees, then, and in every such case, the Lender by written notice to the City, may, but shall not be required to, annul such declaration and its consequences and such annulment shall be binding upon the Lender but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

Nothing herein, however, shall be construed to grant to the Lender any lien on the assets of the City, except the Net Revenues, until spent as provided herein.

(9) The City will not issue any other obligations payable from the Net Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge against the Net Revenues, or any part thereof, except with the prior written consent of the Lender.

**Section 10. Waiver of Jury Trial.** WITH RESPECT TO ANY SUIT OR ACTION BETWEEN THE CITY AND THE LENDER RELATING TO THE LOAN, OR THIS LOAN AGREEMENT, THE CITY AND THE LENDER EACH EXPRESSLY WAIVES ANY RIGHT TO A JURY TRIAL, AND AGREES THAT THE EXCLUSIVE VENUE FOR ANY SUCH SUIT OR ACTION SHALL BE PUTNAM COUNTY, FLORIDA.

**Section 11. Notice Address.** Notices shall be given by each party to the other at the Notice Address set forth below by first class mail, postage prepaid, or sent by facsimile transmission to the telephone number set forth below. Either party may change its Notice Address by giving notice of such change in the same manner.

***Notice Addresses***

As to the City: Woody Boynton, City Manager  
Ruby Williams, Finance Director  
City of Palatka  
201 N. Second Street  
Palatka, Florida 32177  
(904) 329-0100

As to the Lender:

**IN WITNESS WHEREOF**, the City and the Lender have executed and delivered this Loan Agreement as of \_\_\_\_\_, 2008.

**CITY OF PALATKA, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Karl N. Flagg  
Mayor

ATTEST:

\_\_\_\_\_  
Betsy J. Driggers  
City Clerk

-----

-----

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit B  
To  
Resolution**

**FORM OF NOTE  
UNITED STATES OF AMERICA  
STATE OF FLORIDA  
CITY OF PALATKA, FLORIDA  
TAXABLE GOLF COURSE REVENUE NOTE  
SERIES 2008**

**\$1,700,000**

**KNOW ALL MEN BY THESE PRESENTS**, that the City of Palatka, Florida, a municipal corporation of the State of Florida (hereinafter called "City"), for value received, hereby promises to pay to the order of \_\_\_\_\_ (the "Lender"), in the amounts and on the Installment Payment Dates described on the attached Exhibit entitled "Annual Principal Reductions with semi-annual interest payments", the aggregate Principal Amount of \$1,700,000, solely from the revenues hereinafter mentioned, and to pay solely from such revenues, interest on said sum from the date of this Note or from the most recent interest payment date to which interest has been paid, at the Rate of Interest of \_\_\_\_\_ Percent (\_\_\_\_%) per annum on the unpaid balance of such Principal Amount until the payment of such Principal Amount. Interest on this Note shall be computed based upon the 360-day year, 30-day month basis.

Interest on the unpaid Principal Amount shall be payable on each \_\_\_\_\_ and \_\_\_\_\_, commencing on \_\_\_\_\_, 2008, and at maturity.

All payments shall be applied first to interest and then to principal on this Note. The principal of and interest on this Note, when due and payable, shall be paid by check or draft mailed to the Lender, at its address designated to the City, or by wire transfer to the domestic account of the Lender, upon written request and furnishing of wire transfer instructions to the City. All amounts due hereunder shall be payable in any coin or currency of the United States of America, which is at the time of payment legal tender for the payment of public or private debts.

If the date for payment of the principal of or interest on the Note shall be a Saturday, Sunday, legal holiday or a day on which the Lender (if a banking institution) or banking institutions in the State of Florida are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday or a day on which such banking institutions are authorized to close; provided, that interest shall accrue to the date of payment.

This Note evidences a Loan made pursuant to Resolution No. \_\_\_\_ of the City adopted on September 11, 2008 and a Loan Agreement dated as of \_\_\_\_\_, 2008 (the "Loan Agreement") between the City and the Lender to finance the refunding of certain obligations as described in the Loan Agreement, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended and other applicable provisions of law (the "Act").

All of the terms of the Loan Agreement are incorporated herein by reference. This Note is a special obligation of the City payable solely from the City's Net Revenues derived from operation of its Golf Course Facilities and from Non-Ad Valorem Revenues, all as provided in the Loan Agreement.

This Note does not constitute a general obligation, or a pledge of the faith, credit or taxing power of the City, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. Neither the State of Florida nor any political subdivision thereof, nor the City, shall be obligated to pay the principal of this Note, the interest thereon or other costs incident thereto, except from the Net Revenues and Non-Ad Valorem Revenues, in the manner provided in the Loan Agreement. It is further agreed between the City and the Lender that this Note and the indebtedness evidenced hereby shall not constitute a lien on any property of the City, except upon the Net Revenues, as provided in the Loan Agreement.

This Note may, at the option of the City, be prepaid prior to maturity in whole or in part on any date at a prepayment price (plus accrued interest to the date fixed for redemption) equal to the principal amount thereof and without premium. Prepayments shall be applied to reduce the remaining principal installments in inverse order of maturity.

Notice of prepayment identifying the portion of this Note to be prepaid will be given by the City as provided in the Loan Agreement. All prepayments will cease to bear interest after the specified prepayment date provided funds for prepayment have been tendered to the Lender.

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

**IN WITNESS WHEREOF**, the City of Palatka, Florida, has issued this Note and has caused the same to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its official seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, as of \_\_\_\_\_, 2008.

**CITY OF PALATKA, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Karl N. Flagg  
Mayor

ATTEST:

\_\_\_\_\_  
Betsy J. Driggers  
City Clerk

**ANNUAL PRINCIPAL REDUCTIONS  
WITH SEM-ANNUAL INTEREST PAYMENTS**

FORM OF  
REQUEST FOR PROPOSALS  
\$1,700,000  
CITY OF PALATKA, FLORIDA  
TAXABLE GOLF COURSE REVENUE NOTE

The City of Palatka, Florida (the "City") is seeking proposals relating to the financing of the Project described below through a Loan evidenced by the City's \$1,700,000 Taxable Golf Course Revenue Note (the "Note"). The City is seeking proposals on a fixed rate of interest only. **Interest on the Note will NOT be tax-exempt to the holder. The Note will NOT be "bank-qualified".**

The terms and conditions of the Note will include the following:

1. Amount - \$1,700,000, to be sold at par.
2. Amortization - level annual debt service payable over 15 years.
3. Interest repayment - semi-annually on the unpaid principal balance beginning six months after the closing date.
4. Principal pre-payment - The City may pre-pay all or some of the outstanding principal of the Loan without incurring a prepayment penalty. Prepayments will be applied to reduce the remaining principal installments in inverse order of maturity.
5. Security - Payments of the Loan will be secured by a pledge of and a lien on the net revenues received by the City from operation of its golf course facilities. The City will also covenant to budget and appropriate from legally available non ad-valorem revenues of the General Fund of the City, if needed, sufficient money for payment of the Loan, as described in the Loan Documents.
6. Project - (1) to refund the City's outstanding Golf Course Revenue Bond, Series 2000, in the outstanding principal amount of \$106,062.27 and (2) to reimburse (a) the City's General Fund for prior advances for operating expenses and for golf course facilities (funded by the City's Note dated May 16, 2005 in the outstanding principal amount of \$39,446.33) and (b) for prior advances from certain enterprise funds for golf course operating deficits.
7. Public Entities Crimes and Drug-Free Workplace - Any person submitting a bid or proposal in response to this invitation must execute the enclosed Form PUR 7068, SWORN STATEMENT UNDER SECTION 287.133(A), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES, and the enclosed Drug-Free Workplace Compliance Form including proper check(s), in the space(s) provided, and enclose them with the bid/proposal.

8. Fees and Expenses – All fees and expenses that will be the responsibility of the City must be clearly outlined by the bidder in response to this RFP.

9. Interest Rates – The bidder can quote on a fixed interest rate basis only.

10. Documentation will be provided by the City's Bond Counsel, Livermore, Freeman & McWilliams, P.A., Jacksonville Beach, Florida, whose approving opinion will be provided to the bidder at the expense of the City. Accompanying this RFP are a draft resolution, loan agreement and form of Note (the "Loan Documents") to be completed with the successful bid proposal and agreed to by the bidder.

11. The Note will be issued initially in a single denomination equal to the aggregate principal amount of the Loan payable in annual installments, as above provided in paragraph 2.

12. The bidders are required to conduct their own investigation and evaluation of the creditworthiness of the City with respect to the Loan. The City's financial information provided with this Request for Proposal is NOT in any way intended to be a disclosure of all relevant or material facts and may not be relied upon exclusively by bidders in reaching a credit decision with respect to the Loan. The City's financial statements can be obtained by e-mailing Ruby Williams at [RWilliams@palatka-fl.gov](mailto:RWilliams@palatka-fl.gov).

Under no circumstances should any prospective proposer or any person or persons acting for or on behalf of said prospective proposer, seek to influence or gain the support of any member of the City Commission or staff favorable to the interest of any prospective proposer, or seek to influence or gain the support of any member of the Council or staff against the interest of any prospective proposer. Any such activities shall result in the exclusion of the prospective proposer from consideration by the City.

Bids for the Loan must be submitted on the form attached as Appendix A and must be received by 2:00 p.m. ET on September 8, 2008. Bids may not be withdrawn before the close of business on September 17, 2008.

The successful bidder for the Loan will be the proposer with the lowest true interest cost, taking into account any quoted fees and expenses to be paid by the City for the Loan. It is anticipated that the closing for the Loan will occur on or before September 17, 2008.

The City reserves the right to reject any and all proposals and the right to waive any irregularity or informality with respect to any proposal.

Your interest in the City of Palatka is appreciated and we look forward to receiving a proposal from your firm.

Please submit one copy to the City and one to the City's Bond Counsel at the addresses listed below:

Ruby Williams Finance Director City of Palatka 201 N. Second Street Palatka, Florida 32177 (386) 329-0100 (386) 329-0106/FAX	Daniel U. Livermore, Jr. Livermore, Freeman & McWilliams, P.A. 320 North First Street Suite 603 Jacksonville Beach, Florida 32250 (904) 399-0500 (904) 398-0500/FAX
--	--

Ruby Williams  
Finance Director

- Exhibits:  
and Note
- A. Authorizing Resolution with attached Forms of Loan Agreement
  - B. Historical Golf Course Enterprise Fund Statements
  - C. Annual Report, FY 2006-07
  - D. Public Entity Crime Form
  - E. Drug-Free Workplace Compliance Form

APPENDIX A  
REQUEST FOR PROPOSAL

\$1,700,000  
CITY OF PALATKA, FLORIDA  
TAXABLE GOLF COURSE REVENUE NOTE

1. Name and Address of Bidder: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Contact Person of Bidder: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
Fax #: \_\_\_\_\_

3. Expenses to be paid by City:

	<u>Item</u>	<u>Cost</u>
4.	Interest Rate: Fixed	_____
	Signature of Bidder	_____
	Date	_____

**Exhibit D  
To  
Resolution**

**SUCCESSFUL BID**