



VILLAGE OF KEY BISCAIYNE

Office of the Village Manager

MEMORANDUM

Village Council
Mayra P. Lindsay, *Mayor*
Edward London, *Vice Mayor*
Franklin H. Caplan
Luis F. de la Cruz
Gary R. Gross
Theodore Holloway
Michael E. Kelly

Village Manager
John C. Gilbert

DATE: October 4, 2016

TO: Honorable Mayor and Members of the Village Council

FROM: John C. Gilbert, Village Manager

RE: Amendment to Existing Stormwater Utility Refunding and Improvement Revenue Bonds, Series 2013

RECOMMENDATION

After careful review of the Village's outstanding loans, it is recommended that the Village Council adopt the Resolution amending the terms of the Stormwater Utility Refunding and Improvement Revenue Bonds, Series 2013 for the purpose of lowering the interest rate and thereby providing savings to the Village.

BACKGROUND

On January 7, 2014, the Village issued its \$6,575,000 Stormwater Utility Refunding and Improvement Revenue Bonds, Series 2013. The fixed interest rate obtained at the time was 3.35%. The Bonds were purchased by Pinnacle Public Finance, Inc. Due to the current low interest rate environment; the Village Financial Advisor, Estrada Hinojosa & Co., was able to negotiate a lower rate of interest on the current loan.

The negotiations with the existing Bond Holder, Pinnacle Public Finance, will save the Village some of the costs of refinancing; since, rather than having to execute a full refunding, these savings will be accomplished by limited quantitative and legal work.

As a result of the negotiations, Pinnacle Public Finance has offered to reduce the rate from 3.35% to 2.35% keeping all other terms of the loan agreement the same. The new rate would provide a total savings of \$446,598.

The Village Manager recommends that Council approve the Resolution providing for the amendment to the loan agreement and necessary documents to reduce the fixed interest rate.

Reviewed by Lourdes Abadin, Estrada Hinojosa & Company, Inc. as our Financial Advisor and Jeff de Carlo, Weiss Serota Helfman Cole & Bierman, P.L., as our Bond Counsel, will assist the Village with the required loan amendments.

RESOLUTION NO. 2016-

A RESOLUTION OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AMENDING RESOLUTION NO. 2013-42 WHICH AUTHORIZED THE VILLAGE'S \$6,575,000 STORMWATER UTILITY REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2013, IN ORDER TO LOWER THE INTEREST RATE ON SUCH BONDS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE BONDS; AUTHORIZING THE MAYOR, THE VILLAGE MANAGER AND OTHER VILLAGE OFFICIALS TO EXECUTE ANY AND ALL DOCUMENTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on December 3, 2013, the Village Council adopted Ordinance No. 2013-9 (the "Ordinance") and Resolution No. 2013-42 (the "Bond Resolution" and, collectively with the Ordinance, the "Bond Ordinance") authorizing the issuance of \$6,575,000 Village of Key Biscayne, Florida Stormwater Utility Refunding and Improvement Revenue Bonds, Series 2013 (the "Bonds") for the purpose of refunding the Village's \$4,450,000 Stormwater Utility Revenue Refunding Bonds, Series 2011, financing the 2013 Project (as defined in the Bond Resolution) and paying costs of issuance of the Bonds; and

WHEREAS, on January 7, 2014, the Village issued the Bonds and the Bonds and the Bonds were purchased by Pinnacle Public Finance, Inc. (the "Purchaser"); and

WHEREAS, the Bonds bear interest at the fixed rate of 3.35%; and

WHEREAS, due to the current low interest rate environment, the Village's Financial Advisor, Estrada Hinojosa & Co., was able to negotiate with the Purchaser a lower rate of interest on the Bonds of 2.35%; and

WHEREAS, the Village Council hereby determines that it is in the best interest and welfare of the residents of the Village to amend the Bond Resolution and the Bonds (such amended Bond is hereinafter referred to as the "New Bond", and the date of delivery of the New Bond is hereinafter referred to as the "New Bond Delivery Date"), in order to provide for the lower interest rate and revise the amortization schedule accordingly;

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE AS FOLLOWS:

Section 1. Findings. The foregoing "Whereas" clauses are hereby ratified and incorporated as the legislative intent of this Resolution.

Section 2. Amendment of the Bond Resolution. The Bond Resolution is hereby amended as follows:

(a) The first four paragraphs of Section 2(b) of the Bond Resolution are hereby amended to read as follows:

“(b) Interest Rate. Subject to adjustment as provided below, the Bonds shall bear interest on the outstanding principal balance from their date of issuance payable semiannually on each April 1 and October 1 (the “Interest Payment Dates”), commencing April 1, 2014, at an interest rate equal to (1) 3.35% per annum through the day prior to the New Bond Delivery Date (the “First Interest Rate Period”) and (2) 2.35% per annum beginning on the New Bond Delivery Date until the maturity date of the Bonds (the “Second Interest Rate Period”).

Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(i) Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall have occurred (i) the rate of interest on the Bonds shall be increased to a rate per annum equal to 5.4472% per annum with respect to the interest payable during the First Interest Rate Period, and (ii) the rate of interest on the Bonds shall be increased to a rate per annum equal to 3.62% per annum with respect to the interest payable during the Second Interest Rate Period (as applicable, the “Taxable Rate”), effective retroactively to the date on which the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Village on the next succeeding Interest Payment Date following the Determination of Taxability. A “Determination of Taxability” shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not contested with the Internal Revenue Service by either the Village or any Owners of the Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Village to the effect that interest on Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, or (iv) receipt by the Village of an opinion of bond counsel to the Village to the effect that interest on the Bonds is includable for federal income tax purpose in the gross income of the Owners thereof.

(ii) Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate under Section 11(b) of the Internal Revenue Code of 1986, as amended (the “Code”), without adjustment based on the paragraph following Section 11(b)(1)(D) of the Code (the “Maximum Corporate Tax Rate”) during any period with respect to which interest shall be accruing on the Bonds on a tax-exempt basis, shall be other than thirty-five percent (35%), the interest rate on the Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Bonds by a fraction equal to (1-A divided by 1-B), where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment; *provided, however*, that in no event shall the interest rate on the Bonds be adjusted to an interest rate that is less than (i) 3.35% per annum with respect to the interest payable during the First Interest Rate Period and (ii) 2.35% per annum with respect to the interest payable during the Second Interest Rate Period.”

(b) Section 2(c)(i) of the Bond Resolution is hereby amended to read as follows:

“(i) Mandatory Prepayment. The principal of the Bonds shall be subject to mandatory prepayment in annual installments on each October 1, commencing October 1, 2014 in the amounts set forth below:

<u>Year</u>	<u>Principal Installment Due*</u>
2014	\$310,000.00
2015	300,000.00
2016	310,000.00
2017	348,645.75
2018	354,618.89
2019	362,952.44
2020	371,481.82
2021	380,211.64
2022	389,146.62
2023	398,291.56
2024	407,651.41
2025	417,231.22
2026	427,036.16
2027	437,071.51
2028	447,342.69
2029	457,855.24
2030**	468,614.84

*Payments may change slightly to reflect the final issuance date of the Bonds.

A revised principal amortization schedule will be attached to the final executed Bond.

**Final Maturity

In the event that there is more than one Owner of the Bonds, (A) the amount of each Bond to be redeemed shall be *pro rata* based on the respective aggregate principal amount of Bonds then held by each Owner as a percentage of the total aggregate principal amount of Bonds then outstanding, and (B) the Village shall give notice to each Owner of the Bonds at least three (3) days prior to the date of mandatory redemption of the amount of Bonds owned by such Owner to be redeemed.”

(c) Exhibit “A” to the Resolution is hereby deleted in its entirety and replaced with the new Exhibit “A” attached to this Resolution.

Section 3. Authorization to Execute Documents. The Village Council hereby authorizes the Village Manager or Finance Director to deliver the New Bond to the Purchaser upon receipt from the Purchaser of the original Bond for cancellation, in substantially the form attached hereto as Exhibit “A”. The New Bond shall be signed in the name of the Village by the Mayor or Vice Mayor (or, in their absence, any other member of the Village Council), with such changes, modifications, deletions and insertions as the person signing such New Bond, with the advice of the Village Attorney and Bond Counsel, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Village. The Village Clerk is hereby authorized to attest such signature. The Mayor, the Vice Mayor, any member of the Council, the Village Manager, the Village Clerk, the Finance Director and any other proper official of the Village, are and each of them is hereby authorized and directed to execute and deliver such other documents as are necessary to accomplish the foregoing and to effectuate the intent and purpose of this Resolution.

Section 4. Ratification. All terms and provisions of the Bond Resolution not specifically amended by this Resolution are hereby ratified and shall remain in full force and effect.

Section 5. Severability. If any section, clause, sentence, or phrase of this Resolution is for any reason held invalid or unconstitutional by a court of competent jurisdiction, the holding shall not affect the validity of the remaining portions of this Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon adoption.

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PASSED AND ADOPTED this 4th day of October, 2016.

MAYOR

ATTEST:

CONCHITA H. ALVAREZ, MMC
VILLAGE CLERK

APPROVED AS TO LEGAL FORM AND SUFFICIENCY:

VILLAGE ATTORNEY

EXHIBIT "A"

No. R-2

\$6,575,000

**UNITED STATES OF AMERICA
STATE OF FLORIDA
VILLAGE OF KEY BISCAYNE
STORMWATER UTILITY REFUNDING AND IMPROVEMENT
REVENUE BONDS
SERIES 2013**

Registered Owner: Pinnacle Public Finance, Inc.

Principal Amount: Six Million Five Hundred Seventy-Five Thousand Dollars (\$6,575,000)

KNOW ALL MEN BY THESE PRESENTS, that the Village of Key Biscayne, Florida (the "Village"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns (the "Owner"), from the sources hereinafter mentioned, the Principal Amount specified above. Subject to the rights of prior prepayment and redemption described in this Bond, the Bonds shall mature on October 1, 2030. Payments due hereunder shall be made no later than 2:00 p.m., Eastern time, on the date due, free and clear of any defenses, set-offs, counterclaims, or withholding or deductions for taxes.

This Bond is issued under authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Part II of Chapter 166, Florida Statutes, as amended, the Charter of the Village, Ordinance No. 2013-9 duly adopted by the Village Council (the "Council") of the Village on December 3, 2013 (the "Ordinance"), and Resolution No. 2013-42 adopted on December 3, 2013, as amended by Resolution No. 2016-__ adopted on October 4, 2016 (collectively, the "Resolution," and collectively with the Ordinance, the "Bond Ordinance"), and is subject to the terms of said Bond Ordinance. This Bond is issued for the purpose of refunding the Village's \$4,450,000 Stormwater Utility Revenue Refunding Bonds, Series 2011, financing improvements and replacements of drainage wells and outfalls for the Village's Stormwater Utility System and paying costs of issuance of the Bonds. This Bond shall be payable only from the sources identified herein.

Subject to adjustment as provided below, this Bond shall bear interest on the outstanding principal balance from its date of issuance payable semiannually on each April 1 and October 1 (the "Interest Payment Dates"), commencing April 1, 2014, at an interest rate equal to (i) 3.35% per annum through October __, 2016 (the "First Interest Rate Period") and (ii) 2.35% beginning October __, 2016 until the maturity date of this Bond (the "Second Interest Rate Period").

Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The principal of and interest on this Bond are payable in lawful money of the United States of America by wire transfer or by certified check, in either case in immediately available funds, delivered on or prior to the date due to the Owner or its legal representative at the address of the Owner as it appears on the registration books of the Village.

Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall have occurred (i) the rate of interest on this Bond shall be increased to a rate per annum equal to 5.4472% per annum with respect to the interest payable during the First Interest Rate Period, and (ii) the rate of interest on this Bond shall be increased to a rate per annum equal to 3.62% per annum with respect to the interest payable during the Second Interest Rate Period (as applicable, the "Taxable Rate"), effective retroactively to the date on which the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Village on the next succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not contested with the Internal Revenue Service by either the Village or any Owners of the Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Village to the effect that interest on Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, or (iv) receipt by the Village of an opinion of bond counsel to the Village to the effect that interest on the Bonds is includable for federal income tax purpose in the gross income of the Owners thereof.

Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate under Section 11(b) of the Internal Revenue Code of 1986, as amended, without adjustment based on the paragraph following Section 11(b)(1)(D) of such Code (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on the Bonds on a tax-exempt basis, shall be other than thirty-five percent (35%), the interest rate on the Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Bonds by a fraction equal to $(1-A \text{ divided by } 1-B)$, where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment; *provided, however*, that in no event shall the interest rate on the Bonds be adjusted to an interest rate that is less than (i) 3.35% per annum with respect to the interest payable during the First Interest Rate Period and (ii) 2.35% per annum with respect to the interest payable during the Second Interest Rate Period.

Adjustment of Interest Rate for Other Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Bonds or interest thereon remains unpaid (a) if any law, rule, regulation or executive order is enacted or promulgated by any public body or governmental agency which changes the basis of taxation of interest on the Bonds or causes a reduction in yield on the Bonds (other than by reason of a change described above) to the Owners or any former Owners of the Bonds, including without limitation the imposition of any excise tax or surcharge thereon, or (b) if, as a result of action by any public body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Owners or any former Owners of the Bonds (other than by reason of a change described above or by reason of any action or failure to act on the part of any Owner or any former Owner of the Bonds) by reason of the ownership of the Bonds, the Village shall reimburse any such Owner within five (5) days after receipt by the Village of written demand for such payment, and the Village agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change, action or failure to qualify. The determination of the after-tax yield calculation shall be verified by a firm of certified public accountants regularly employed by the Owner and acceptable to the Village, and such calculation, in the absence of manifest error, shall be binding on the Village and the Owners.

Mandatory Prepayment. The principal of this Bond shall be subject to mandatory prepayment in annual installments on each October 1, commencing October 1, 2014 in the amounts set forth below:

<u>Year</u>	<u>Principal Installment Due*</u>
2014	\$310,000.00
2015	300,000.00
2016	310,000.00
2017	348,645.75
2018	354,618.89
2019	362,952.44
2020	371,481.82
2021	380,211.64
2022	389,146.62
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*Payments may change slightly to reflect the final issuance date of the Bonds.

A revised principal amortization schedule will be attached to the final executed Bond.

**Final Maturity

In the event that there is more than one Owner of the Bonds, (i) the amount of each Bond to be redeemed shall be *pro rata* based on the respective aggregate principal amount of Bonds then held by each Owner as a percentage of the total aggregate principal amount of Bonds then outstanding, and (ii) the Village shall give notice to each Owner of the Bonds at least three (3) days prior to the date of mandatory redemption of the amount of Bonds owned by such Owner to be redeemed.

This Bond is subject to optional prepayment upon seven (7) days written notice to the Owner, (a) in whole at any time, at a price of par plus accrued interest to the date of prepayment and (b) in part on each October 1, in a principal amount not less than \$150,000, at a price of par plus accrued interest to the date of prepayment plus a fee of \$500.

This Bond is secured primarily by a pledge of the Stormwater Utility Fees as defined by Section 403.0893(3), Florida Statutes and imposed pursuant to Ordinance No. 93-11 adopted by the Council on June 22, 1993 (as amended by Ordinance No. 93-11-A).

To the extent the Stormwater Utility Fees are insufficient to pay principal of and interest on the Bonds when due, the Village has covenanted and agreed in the Bond Ordinance to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues (as defined below) lawfully available in each fiscal year, amounts sufficient to pay the principal and interest due on the Bonds in accordance with their terms during such fiscal year. "Non-Ad Valorem Revenues" means all revenues of the Village derived from any source other than ad valorem taxation on real or personal property and which are legally available to make the payments required under the Bond Ordinance, but only after provision has been made by the Village for the payment of all essential or legally mandated services not otherwise provided for by ad valorem taxes. Such covenant and agreement on the part of the Village to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Village, the Village does not covenant to maintain any services or programs, now provided or maintained by the Village, which generate non-ad valorem revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Village from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Village to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Bondholders a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Village. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the Village a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Bond Ordinance, subject,

however, in all respects to the terms of the Bond Ordinance and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Village or which are legally mandated by applicable law.

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE OR A PLEDGE OF THE FAITH AND CREDIT OF THE VILLAGE, BUT SHALL BE PAYABLE EXCLUSIVELY FROM THE STORMWATER UTILITY FEES AND FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE VILLAGE. THE ISSUANCE OF THIS BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE VILLAGE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE VILLAGE, AND THE HOLDER OF THIS BOND SHALL HAVE NO RECOURSE TO THE POWER OF TAXATION.

The original registered Owner, and each successive registered Owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

1. The Village shall keep books for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. Bonds may be transferred or exchanged upon the registration books kept by the Village, upon delivery to the Village, together with written instructions as to the details of the transfer or exchange, of such Bonds in form satisfactory to the Village and with guaranty of signatures satisfactory to the Village, along with the social security number or federal employer identification number of any transferee and, if the transferee is a trust, the name and social security or federal tax identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. The Bonds may be exchanged for Bonds of the same principal amount and maturity and denominations in integral multiples of \$100,000 (except that an odd lot is permitted to complete the outstanding principal balance). No transfer or exchange of any Bond shall be effective until entered on the registration books maintained by the Village.

2. The Village may deem and treat the person in whose name any Bond shall be registered upon the books of the Village as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as they become due, and for all other purposes. All such payments so made to any such Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Village shall execute and deliver Bonds in accordance with the

provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the Village may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Village shall not be required to transfer or exchange Bonds for a period of fifteen (15) days next preceding an interest payment date on such Bonds.

4. All Bonds, the principal of and interest on which have been paid, either at or prior to maturity, shall be delivered to the Village when such full payment is made, and shall thereupon be cancelled. In case a portion but not all of an outstanding Bond shall be prepaid, such Bond shall not be surrendered in exchange for a new Bond, but the Village shall make a notation indicating the remaining outstanding principal of the Bonds upon the registration books. The Bond so redesignated shall have the remaining principal as provided on such registration books and shall be deemed to have been issued in the denomination of the outstanding principal balance, which shall be an authorized denomination.

It is hereby certified and recited that all acts, conditions and things required to happen, to exist and to be performed precedent to and for the issuance of this Bond have happened, do exist and have been performed in due time, form and manner as required by the Constitution and the laws of the State of Florida applicable thereto.

IN WITNESS WHEREOF, the Village of Key Biscayne, Florida has caused this Bond to be executed by the manual or facsimile signature of its Mayor and of its Village Clerk, and the Seal of the Village of Key Biscayne, Florida or a facsimile thereof to be affixed hereto or imprinted or reproduced hereon, all as of the ___ day of _____, 20__.

VILLAGE OF KEY BISCAZYNE, FLORIDA

Mayor

(SEAL)

Village Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ (the "Transferor"), hereby sells, assigns and transfers unto _____ (Please insert name and Social Security or Federal Employer identification number of assignee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ (the "Transferee") as attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date _____

Social Security Number of Assignee

Signature Guaranteed:

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

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

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

UNIF GIF MIN ACT - _____,
(Cust.)

Custodian for _____,
(Minor)

TEN ENT - as tenants by the entirety

under Uniform Gifts to Minors Act of _____,
(State)

JT TEN - as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the list above.