

RESOLUTION NO. 15-69

A RESOLUTION OF THE CITY OF PANAMA CITY BEACH, FLORIDA SUPPLEMENTING RESOLUTION NO. 06-60 ADOPTED ON AUGUST 16, 2006; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$43,500,000 PRINCIPAL AMOUNT OF ITS CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 2015 (FRONT BEACH ROAD PROJECT) TO EVIDENCE A LOAN FROM REGIONS CAPITAL ADVANTAGE, INC. TO REFINANCE CERTAIN OUTSTANDING OBLIGATIONS AND PAY THE COSTS OF ISSUANCE OF SUCH SERIES 2015 BONDS; PLEDGING TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH SERIES 2015 BONDS CERTAIN PLEDGED FUNDS; AWARDING THE SALE OF THE SERIES 2015 BONDS TO REGIONS CAPITAL ADVANTAGE, INC.; APPOINTING A PAYING AGENT AND REGISTRAR; APPOINTING AN ESCROW AGENT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; PROVIDING FOR SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING AND APPROVING THE COSTS OF ISSUANCE FOR SUCH SERIES 2015 BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDER OF SUCH SERIES 2015 BONDS; AND PROVIDING AN EFFECTIVE DATE.

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BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PANAMA CITY BEACH, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapter 166, Part II, Florida Statutes, Chapter 163, Part III, Florida Statutes, the Master Resolution and other applicable provisions of law.

SECTION 2. DEFINITIONS. All capitalized undefined terms shall have the same meaning as set forth in the Master Resolution, as hereinafter defined, and those definitions are incorporated by reference in this Resolution. In addition, the following terms shall have the following meanings herein, unless the text expressly requires otherwise. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

“Bondholder” or “Lender” shall mean, initially, Regions Capital Advantage, Inc., a Tennessee corporation and subsequently, the person in whose name the Series 2015 Bonds is registered with the Registrar.

“Business Day” shall mean a day of the year which is not a Saturday or Sunday or a day on which the Paying Agent is lawfully closed or on which the New York Stock Exchange is closed.

“Determination of Taxability” shall mean a determination that the interest income on the Series 2015 Bonds is includable in gross income of the recipient thereof for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following: (i) the date on which the Issuer determines that the interest income on the Series 2015 Bond is includable in gross income for federal income tax purposes by filing with the Bondholder a statement to that effect; (ii) the date on which the Bondholder shall be advised by private ruling, technical advice or any other written communication from an authorized official of the Internal Revenue Service that, based upon any filings by the Issuer, or upon any review or audit of the Issuer, or upon any other grounds whatsoever, the interest income on the Series 2015 Bond is includable in gross income for federal income tax purposes; or (iii) the date on which the Issuer shall receive notice from the Bondholder that the Bondholder has been advised by any authorized official of the Internal Revenue Service that the interest income on the Series 2015 Bond is includable in gross income for federal income tax purposes.

“Escrow Deposit Agreement” shall mean the Escrow Deposit Agreement between the Issuer and the Escrow Agent, the form of which is attached hereto as Exhibit “C.”

“Interest Rate” shall mean 2.73% per annum.

“Issuer” shall mean the City of Panama City Beach, Florida.

“Master Resolution” shall mean Resolution No. 02-30 adopted by the Issuer on June 20, 2002 authorizing the Bonds, as amended and restated by Resolution No. 06-60 adopted by the Issuer on August 16, 2006.

“Original Purchaser” shall mean Regions Capital Advantage, Inc., Birmingham, Alabama and its successors and assigns.

“Parity Bonds” means the Issuer’s unrefunded \$54,835,000 Capital Improvement Revenue Bonds, Series 2006 (Front Beach Road Project) issued on September 7, 2006.

“Refunded Bonds” shall mean a portion of the Issuer’s outstanding \$54,835,000 Capital Improvement Revenue Bonds, Series 2006 (Front Beach Road Project) maturing on and after November 1, 2017.

“Registrar” shall mean, initially, the City Clerk of the City of Panama City Beach, Florida, or such other person as shall be appointed by the Issuer as registrar for the Series 2015 Bonds.

“Reserve Fund Requirement” shall mean such amount determined by the Issuer and the Lender, evidenced by a certificate of the Issuer and the Lender.

“Resolution” shall mean this instrument, as the same may from time to time be amended, modified or supplemented.

“Series 2015 Bonds” shall mean the Issuer’s Capital Improvement Refunding Revenue Bonds, Series 2015 (Front Beach Road Project), authorized pursuant to this Resolution and the Master Resolution.

“Term Sheet” shall mean the Term Sheet from Regions Capital Advantage, Inc. attached hereto as Exhibit “A”.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

A. The Issuer is a municipal corporation organized under the laws of the State of Florida and is authorized under the Act to issue the Series 2015 Bonds and use the proceeds thereof for the purposes of refinancing the Refunded Bonds.

B. Based upon the advice of Public Financial Management, Inc., Orlando, Florida, the financial advisor to the Issuer (the “Financial Advisor”), it is necessary, desirable, convenient and in the best interests of the Issuer and the residents thereof to refund, defease and retire the Refunded Bonds because that refunding will result in savings with respect to the debt service that would otherwise be attributable to the Refunded Bonds, and in connection therewith, the Issuer has determined to obtain, and Regions Capital Advantage, Inc. has agreed to provide, a loan in the amount of not to exceed \$43,500,000 (the “Loan”), in accordance with the Term Sheet attached hereto as Exhibit “A”, subject to certain conditions herein contained, which such Loan shall be evidenced by the Series 2015 Bonds herein authorized. In the event of a conflict between the Term Sheet and this Resolution, this Resolution will prevail.

C. The Series 2015 Bonds shall be considered Bonds under the terms of the Master Resolution and be entitled to all benefits and security of the Master Resolution. The principal of and interest on the Series 2015 Bonds and all required reserve and other payments shall be payable solely from Pledged Funds. The Issuer shall never be required to levy ad valorem taxes on any real or personal property within the City of Panama City Beach, Florida to pay the principal of and interest on the Series 2015 Bonds herein authorized or to make any other payments provided for herein. The Series 2015 Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer.

D. The revenues pledged for the payment thereof are not now pledged or encumbered in any manner, except for the payment of principal and interest on the Parity Bonds.

E. The estimated revenues pledged for the payment thereof will be sufficient to pay all principal of and interest on the Series 2015 Bonds to be issued hereunder and the Parity Bonds as the same become due, and to make all required reserve or other payments required by this Resolution and the Master Resolution.

F. Due to the present instability in the market for tax-exempt obligations, the critical importance of the timing of the sale of the Series 2015 Bonds, the characteristics of the Series 2015 Bonds and the delay and potential resulting loss that would be occasioned by the Issuer from a public sale of the Series 2015 Bonds and the financial advantages available to the Issuer through a placement and negotiation of the Loan and the Series 2015 Bonds with the Lender, the Issuer deems it in the best interest of the public and the Issuer to obtain through negotiation the Loan from the Lender and to issue and deliver the Series 2015 Bonds as evidence of the Loan.

G. The Issuer has complied with the requirements of Section 163.346, Florida Statutes, notice having duly been mailed, at least 15 days prior to the date hereof, to each taxing authority which levies ad valorem taxes on taxable real property contained within the boundaries of the Front Beach Road Community Redevelopment Area and such notice was duly published in the *Panama City News Herald* on February 27, 2015.

H. The Issuer has been or will be provided all applicable disclosure information required by Section 218.385(6), Florida Statutes.

SECTION 4. AUTHORIZATION OF THE REFUNDED BONDS. There is hereby authorized the refinancing of the Refunded Bonds.

SECTION 5. THIS RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2015 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Holders. The covenants and agreements herein set forth and in the Master Resolution to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of the Series 2015 Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 6. AUTHORIZATION OF SERIES 2015 BONDS. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Capital Improvement

Refunding Revenue Bonds, Series 2015 (Front Beach Road Project)" are authorized to be issued in the principal amount of not exceeding \$43,500,000.

SECTION 7. DESCRIPTION OF THE SERIES 2015 BONDS. A. The Series 2015 Bonds shall be issued as one fully registered bond; shall be numbered R-1; and shall be dated as of the date of its delivery to the Original Purchaser thereof. The Series 2015 Bonds shall be payable to the Original Purchaser, and shall bear interest equal to the Interest Rate and calculated on the basis of a 360 day year consisting of twelve 30-day months. Principal shall be payable annually on each November 1, commencing November 1, 2015 or such other date as agreed upon by the Issuer and the Original Purchaser, in such amount and on such dates as set forth in the form of the Series 2015 Bonds attached hereto as Exhibit "E.". Interest shall be payable semiannually on each November 1 and May 1, commencing May 1, 2015. All unpaid principal and any interest accrued and unpaid shall be payable upon maturity.

The Series 2015 Bonds are being issued to evidence the Loan. The Series 2015 Bonds will not be assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number.

B. The principal of and the interest on the Series 2015 Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of the Series 2015 Bonds, and payment of the interest on the Series 2015 Bonds shall be made by the Paying Agent on each interest payment date to the person appearing on the registration books of the Issuer hereinafter provided for as the registered Bondholder thereof, by draft or check mailed to such registered Bondholder at his address as it appears on such registration books. The principal and interest of the Series 2015 Bonds shall be payable only to the Bondholder or its legal representative without presentment.

C. The Interest Rate shall be subject to adjustment to a taxable rate equal to 3.99%, upon a Determination of Taxability of the Series 2015 Bonds.

D. The Bondholder may sell or transfer the Series 2015 Bonds in whole only to a single "accredited investor" as such term is defined in the Securities Act of 1933, as amended (the "1933 Act") and Regulation D thereunder or to a "qualified institutional buyer" as defined under Rule 144A of the 1933 Act.

SECTION 8. PROVISIONS FOR REDEMPTION. The Series 2015 Bonds may be subject to redemption prior to their maturity, at the option of the Issuer, on the tenth (10th) anniversary of the delivery date of the Series 2015 Bonds and on any date thereafter. The Series 2015 Bonds shall be redeemed in whole or in part (and if in part, in inverse order of maturing

installments of principal thereof) at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be redeemed, plus accrued interest to the redemption date.

Unless waived by the Bondholder, written notice of redemption shall be given by the Issuer to the Bondholder at least five (5) Business Days prior to the date of such redemption.

SECTION 9. APPLICATION OF PROVISIONS OF THE MASTER RESOLUTION. The Series 2015 Bonds, herein authorized, shall for all purposes (except as herein expressly provided) be considered to be issued under the authority of the Master Resolution, and shall be entitled to all the protection and security provided therein for Bonds issued thereunder. The Series 2015 Bonds constitute "Additional Bonds" under the terms of the Master Resolution.

SECTION 10. APPLICATION OF SERIES 2015 BOND PROCEEDS. The proceeds received from the sale of the Series 2015 Bonds shall be applied by the Issuer simultaneously with the delivery of such Series 2015 Bonds to the purchaser thereof, as follows:

A. An amount equal to the Reserve Fund Requirement shall be deposited in the subaccount in the Reserve Fund created pursuant to Section 12 hereof for the benefit of the Series 2015 Bonds.

B. A sum as provided in the Escrow Deposit Agreement shall be deposited by the Issuer in accordance with the Escrow Deposit Agreement for refunding of the Refunded Bonds.

C. The Issuer shall pay all costs and expenses in connection with the issuance, sale and delivery of the Series 2015 Bonds.

SECTION 11. SERIES 2015 BONDS NOT TO BE INDEBTEDNESS OF ISSUER. The Series 2015 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds equal and ratable to the lien on the Parity Bonds, in accordance with the terms of this Resolution and the Master Resolution. No Holder of any Series 2015 Bond shall ever have the right to compel the exercise of the ad valorem taxing power of the State, Bay County or any governmental entity to pay such Series 2015 Bond or shall be entitled to payment of such Series 2015 Bond from any moneys of the Issuer except the Pledged Funds, in the manner provided in the Master Resolution and this Resolution.

The Pledged Funds shall be subject to the lien of this pledge immediately upon the issuance and delivery of the Series 2015 Bonds, without any physical delivery by the Issuer of the Pledged Funds or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind against the Issuer, in tort, contract or otherwise.

SECTION 12. RESERVE FUND SUBACCOUNT. There is hereby created and established a subaccount in the Reserve Fund called the "City of Panama City Beach Capital Improvement Revenue Bonds, Series 2015 (Front Beach Road Project) Reserve Fund Subaccount" (the "Series 2015 Reserve Subaccount"). On the date of issuance of the Series 2015 Bonds there shall be on deposit therein, the Reserve Fund Requirement. Amounts on deposit in the 2015 Reserve Subaccount shall be used solely for security and payment of debt service on the Series 2015 Bonds. On or prior to each principal and interest payment date for the Series 2015 Bonds, money in the Series 2015 Reserve Account shall be applied by the Issuer for payment of principal of, interest on, or the Redemption Price of, the Series 2015 Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose.

SECTION 13. APPOINTMENT OF PAYING AGENT AND REGISTRAR. The Clerk is hereby appointed as Paying Agent and Registrar for the Series 2015 Bonds.

SECTION 14. SALE OF SERIES 2015 BONDS. The offer of Regions Capital Advantage, Inc. to purchase the Series 2015 Bonds is hereby accepted, and the sale of the Series 2015 Bonds is hereby awarded to the Original Purchaser. Sale of the Series 2015 Bonds is subject to satisfaction of the conditions precedent of the Original Purchaser, the satisfaction of which shall be evidenced by acceptance of the Series 2015 Bonds and payment therefor by the Original Purchaser. Prior to the issuance of the Series 2015 Bonds, the Issuer shall receive from the Original Purchaser a Purchaser's Certificate, the form of which is attached hereto as Exhibit "B."

SECTION 15. REDEMPTION OF REFUNDED BONDS.

A. The Issuer hereby irrevocably elects, effective upon and only upon the issuance of the Series 2015 Bonds, that the Refunded Bonds shall be defeased and called for redemption in accordance with the Escrow Deposit Agreement.

B. The paying agent for the Refunded Bonds is hereby authorized to provide written notice of such redemption to the registered owners of such Refunded Bonds and to any bondholder whose name and address are on file with the paying agent. The Escrow Agent is hereby authorized and directed to publish a notice of redemption, if required.

C. The Mayor, Bond Counsel and/or Escrow Agent are authorized to subscribe for United States Treasury Obligations — State and Local Government Series or to arrange for the purchase, from funds available for such purpose pursuant to the terms hereof, of other United States Treasury obligations or obligations fully guaranteed by the United States of America to the extent necessary to accomplish the defeasance and refunding of the Refunded Bonds.

D. Simultaneously with the delivery of the Series 2015 Bonds, all amounts in the Principal Account, the Interest Account and the Bond Amortization Account in the Debt Service

Fund allocable to the Refunded Bonds, shall be transferred to the escrow account for deposit in accordance with the provisions of the Escrow Deposit Agreement.

SECTION 16. APPROVAL OF FORM OF ESCROW DEPOSIT AGREEMENT. Regions Bank is hereby appointed to serve as Escrow Agent (the "Escrow Agent") under the Escrow Deposit Agreement. The Escrow Deposit Agreement, in substantially the form attached hereto as Exhibit "C", is hereby approved. The Issuer hereby authorizes the Mayor and the City Clerk to execute and deliver on behalf of the Issuer the Escrow Deposit Agreement, with such changes, insertions and additions as the Mayor may approve, their execution thereof being evidence of such approval.

SECTION 17. VERIFICATION AGENT. Robert Thomas CPA, LLC is hereby appointed to serve as verification agent with respect to the defeasance and refunding of the Refunded Bonds.

SECTION 18. FEDERAL INCOME TAX COVENANTS. The Issuer covenants with the Holders of the Series 2015 Bonds that it shall not use the proceeds of such Series 2015 Bonds in any manner which would cause the interest on such Series 2015 Bonds to be or become includable in the gross income of the Holder thereof for federal income tax purposes and the Issuer further covenants with the Holders of each Series 2015 Bond that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Series 2015 Bonds from the gross income of the Holder thereof for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code. The Mayor or the City Manager is hereby authorized to approve and execute such tax certificates as are required by Bond Counsel and customarily executed for tax-exempt bonds which are necessary to reflect the covenants of the Issuer as provided in this Section.

SECTION 19. COSTS OF ISSUANCE. The costs of issuance are hereby authorized and approved as set forth on Exhibit "D" attached hereto. The City Clerk is hereby authorized to make such payments with no further authorization needed from the City Council.

SECTION 20. SUPPLEMENTAL RESOLUTION. This Resolution shall be deemed to be a Supplemental Resolution for purposes of the Master Resolution.

SECTION 21. GENERAL AUTHORITY. The Mayor, City Manager, Clerk, City Attorney and other agents and employees of the Issuer are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2015 Bonds and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Series 2015 Bonds to effectuate the sale of the Series 2015 Bonds to said Original Purchaser.

SECTION 22. NO PERSONAL LIABILITY. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Series 2015 Bonds, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Series 2015 Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the City Council, officer, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Series 2015 Bonds, or any certificate or other instrument to be executed in connection with the issuance of the Series 2015 Bonds, shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 23. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Series 2015 Bonds issued hereunder.

SECTION 24. THE LENDER. The Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Resolution and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Resolution, information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Issuer has been informed that the Issuer should discuss this Resolution and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer deems appropriate before acting on this Resolution or any such other information, materials or communications.

SECTION 25. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

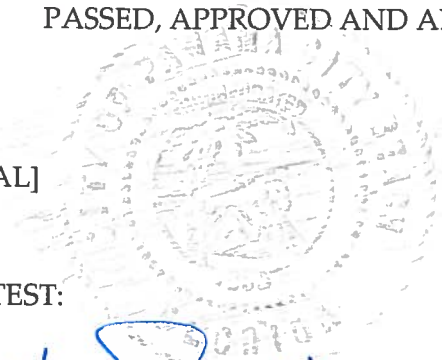
SECTION 26. HEADINGS NOT A PART HEREOF. The headings preceding the several sections hereof shall be solely for convenience of reference and shall not constitute a part of this Resolution or affect its meaning, construction or effect.

SECTION 27. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 12th day of March, 2015.

[SEAL]

ATTEST:


By: Holly J. White
Holly J. White
City Clerk

CITY OF PANAMA CITY BEACH, FLORIDA

By: Gayle Oberst
Gayle Oberst, Mayor

By: Mario Gisbert
Mario Gisbert
City Manager

EXHIBIT "A"

TERM SHEET

Exhibit A

REGIONS CAPITAL ADVANTAGE, INC.

1900 5th Avenue North
Suite 2400
Birmingham, Alabama 35203

February 11, 2015

City of Panama City Beach, Florida

Re: Up to \$50,000,000 Facility to Redeem and Retire Capital Improvement Revenue Bonds, Series 2006, of the City of Panama City Beach, Florida

Dear Holly White:

Thank you for providing Regions Capital Advantage, Inc. with the opportunity to offer a solution to redeem, retire and defease the City of Panama City Beach, Florida's \$54,835,000 initial principal amount Capital Improvement Revenue Bonds, Series 2006 (the "Refunded Bonds").

I am pleased to inform you that we have agreed to provide up to \$50,000,000 (hereinafter defined as the "Loan") to enable this refinancing. This letter assumes that the Loan and Bond described below will be authorized and delivered as an "Additional Bond" under the Existing Resolution (defined below). If Bond Counsel to Borrower should determine to authorize the Loan and the Bond under a new master bond resolution and to cause the Existing Resolution to be deemed defeased and of no further force or effect, then all such terms and conditions shall be assumed to apply within the new master bond resolution.

Upon your designation of us as the selected lender, as the same shall be evidenced by your signing and returning this letter to us, we commit to working with you and your advisors to close the transaction in the most expeditious manner. Below, you will find the proposed set of terms and conditions associated with this term sheet.

Borrower:	City of Panama City Beach, Florida ("Borrower")
Lender:	Regions Capital Advantage, Inc. ("Lender")
Loan	Up to \$50,000,000 (the "Loan"). The Bond described and defined below shall be delivered to Lender as evidence of the Loan and the obligation of Borrower to repay the same.
Purpose; Escrow:	The proceeds of the loan shall be used to (i) redeem and retire the Refunded Bonds and cause the same to be "deemed paid" in accordance with Section 9.01 of the Existing Resolution as of the date of issuance of the Bond, and (ii) pay issuance costs respecting the Bond.

Proceeds from the Bond to redeem and retire the Refunded Bonds shall be deposited into an irrevocable escrow fund (the "Escrow Fund") created under an Escrow Trust Agreement between the Borrower and Regions Bank, as paying agent for the Refunded Bonds (the "Escrow Trust Agreement"). Amount on deposit in the Escrow Fund shall be used to pay maturing installments of principal and interest on the Refunded Bonds through and including November 1, 2016, and to pay, on November 1, 2016, the redemption price of those of the Refunded Bonds scheduled to mature in 2017 and thereafter.

**The Bond;
Amortization:**

As evidence of the Loan and of the obligation of the Borrower to repay the same, the Borrower shall issue a single limited obligation revenue bond designated "Capital Improvement Revenue Refunding Bond, dated the date of the closing (the "Bond") payable from and secured by the Pledged Revenues (defined below). Principal of the Bond shall be payable in annual installments on November 1, commencing November 1, 2015 through and including November 1, 2031, unless the City desires a different term that is acceptable to Lender. Principal shall be amortized over this period in amounts computed pro-rata against the current outstanding principal scheduled amortization (including scheduled mandatory redemption) of the Refunded Bonds, unless the City prefers a different amortization schedule that is acceptable to Lender.

**Interest Rate;
Interest Payments:**

The Bond shall be issued on a tax-exempt basis. Interest on the Bond shall be computed at a fixed per annum rate equal to the 10 Year UST plus 76 basis points as of the date this letter is signed and returned to us, unless such time is after 1:30 Central Time in which case as of the immediately succeeding business day (in which case Lender will confirm via email to you the fixed rate). **For point of reference only, the 10 Year UST plus 76 basis points on the date hereof (February 11, 2015) equals 2.75%.** The interest rate of the Bond shall be subject to adjustment at a rate equal to 10 Year UST of the date of the date of determination of taxability, plus 202 basis points, upon a determination that interest on the Bond is subject to federal taxation.

Interest will be computed on 30/360 basis and will be payable on November 1, 2015, and on each May 1 and November 1 thereafter.

No CUSIP/Rating: The Bond will not have a CUSIP number and will not be registered under the book-entry only system of the Depository Trust Company. The Bond will not be assigned a rating.

Security: The Bond shall be secured by and payable from the same source of revenues as the Refunded Bonds including, without limitation, a first lien

on (1) the FBRCRA Redevelopment Trust Fund Revenues (being revenues derived from the Front Beach Road Community Redevelopment Area and received by the Panama City Beach Community Redevelopment Agency (the "Agency") from Bay County, Florida (the "County") and from any other taxing authority for deposit into the FBRCRA Tax Increment Trust Fund, and (2) any special assessments presently or hereafter levied against lands or properties benefitted by the improvements financed or refinanced by the Refunded Bonds (collectively, "Pledged Funds"). The Bond shall be further secured by the Reserve Fund created in the resolution or resolutions (the "Existing Resolution") pursuant to which the Refunded Bonds were authorized and any other funds or accounts of the same securing bonds issued thereunder.

- Redemption:** The Bond shall be subject to optional redemption prior to maturity on [the 10th anniversary of delivery thereof), and on any date thereafter, at and for a price equal to the principal amount to be redeemed plus accrued interest to the date set for redemption and upon five (5) business day's notice to Lender. The principal installments to be redeemed shall be in inverse order of maturity thereof in the event less than all principal of the Bond is to be redeemed.
- Opinions:** Lender shall receive an unqualified opinion of Bond Counsel to the Borrower that the Bond is validly issued and enforceable, that the Pledged Funds have been duly pledged to the Bond, that the Bond has been validly issued in accordance with the requirements of the Existing Resolution for issuance of Additional Bonds, that interest on the Bond is exempt from federal and State of Florida income taxation, that the Existing Resolution and/or any supplements thereto adopted in connection with the Bond are validly adopted and in effect, that the Agency Interlocal Agreement is valid and in due force or effect, and such other matters of law as may be reasonably requested by Lender or its counsel.
- Additional Bonds:** The Borrower shall have the right to issue additional obligations secured by the Pledged Funds on parity with the Bond upon satisfaction of the conditions set forth in Article VI of the Existing Resolution.
- Fees:** Borrower shall be responsible for payment of all fees and expenses incident to the transactions herein described including, without limitation, bond counsel fee and expenses, reasonable fees of counsel to Lender, fees for any escrow trustee for the Refunded Bonds, and fees for any verification agent services, if any. Please be advised that our counsel has given us a fee quote of not to exceed \$22,500 for this financing.

**Principal Financial
Covenants;
Representations and
Warranties of
Borrower and Events
of Default and
Remedies:**

As set forth in the Existing Resolution. Also, the Borrower and, if possible, the Agency shall represent and warrant no other obligations exist payable from or secured by any of the Pledged Revenues other than the Refunded Bonds.

Official Statement: None required. Lender will make standard investment representations in a letter (the "Lender Letter") required by Rule 15c2-12.

Participation: Lender reserves the right to sell or transfer the Bond or any interests therein, including participation interests. Any buyer or participant shall be a qualified institutional investor and must sign a letter substantially similar to the Lender Letter to be executed by the Lender at closing.

**Agency and County
Interlocal
Agreements:**

Borrower shall take all required actions and obtain all necessary approvals to ensure Lender will be (i) a third-party beneficiary of the Agency Interlocal Agreement that is entitled to enforce the Borrower's right to receive the FBRCRA Tax Increment Revenues required to be paid thereunder and (ii) a third-party beneficiary of the Interlocal Agreement dated July 5, 2005, as amended, between the Agency, Borrower and the County (the "County Interlocal Agreement") for the purpose of requiring the County to fund the FBRCRA Tax Increment Revenues thereunder.

The term "FBRCRA Redevelopment Trust Fund Revenues" means those revenues that are (i) derived from the Front Beach Road Community Redevelopment Area and received by the Agency from the County and any other "taxing authority" (as defined in the Act or any successor statute) for deposit in the FBRCRA Tax Increment Trust Fund established in accordance with the Act (collectively, the "FBRCRA Tax Increment Revenues") and (ii) paid by the Agency to the Borrower pursuant to an Interlocal Agreement dated June 20, 2002, as amended, between the Borrower and the Agency (the "Agency Interlocal Agreement").

Closing Documents: At closing, Borrower shall cause to be delivered such documents, agreements and opinions set forth herein and as shall be necessary in connection with the Bond including, without limitation, (i) a certified copy of the resolution or resolutions authorizing issuance of the Bond and calling the Refunded Bonds for redemption and payment, (ii) a certified copy of any meetings of the County, the Agency or any other public

bodies incident to this financing, (iii) a signed copy of the Escrow Trust Agreement, (iv) a certified copy of the Existing Resolution and any supplements thereto respecting the Bond, (v) a certified copy of the Agency Interlocal Agreement and any amendments thereto required in connection with the Bond, (vi) the signed Bond in form and substance acceptable to Lender or its counsel, (vii) the IRS Form 8038-G, the (viii) the tax certificate and agreement, (ix) the escrow verification report (if one is required for defeasance or if one is otherwise desired by the Borrower, and (x) such other certificates, documents, instruments, agreements or opinions as may be reasonably requested. All such documents shall be prepared by bond counsel to the Borrower.

Disclaimer:

This letter describes some of the basic terms and conditions proposed to be included in the documents between the Lender and the Borrower. This letter does not purport to summarize all documents, agreements, instruments, conditions, or other provisions that may be contained in documents required to consummate the Loan and the Bond. These terms are confidential and may not be disclosed to third parties without the prior consent of the Lender.

Upon return by the Borrower to the Lender of a fully executed copy of this term sheet, by the time set forth below, this term sheet will constitute an agreement of the Borrower to accept the terms and conditions set out above regarding the Loan and the Bond. **If accepted, this borrowing must close on or before March 31, 2015 (the "Expiration Date"). Following said date this letter shall be of no further force or effect, unless extended in writing by Lender and Borrower.** Any extension of the Expiration Date is subject to the Lender's sole consent. The undersigned individual covenants that he/she has the authority to execute and deliver this letter proposal on behalf of Borrower.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Sincerely,

David K. Germany c/o Bo Buckner

David K. Germany
Vice President

Signed and accepted on this 11 day of February, 2015.

City of Panama City, Florida

By: _____

Title: _____

EXHIBIT "B"

FORM OF PURCHASER'S CERTIFICATE

Regions Capital Advantage, Inc., a Tennessee corporation (the "RCA") has agreed to make a loan in the principal amount of \$_____ (the "Loan") to the City of Panama City, Florida (the "Issuer"), the repayment of which is evidenced by the Issuer's Capital Improvement Refunding Revenue Bonds, Series 2015 (Front Beach Road Project), in the principal amount of \$_____ (the "Series 2015 Bond"). In connection with the foregoing and in consideration for its acquisition of the Series 2015 Bonds, RCA hereby certifies follows:

RCA has not required the Issuer to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with Loan and the Series 2015 Bond, and no inference should be drawn that the Purchaser, in the acceptance of the Series 2015 Bond, is relying on Bryant Miller Olive P.A., as Bond Counsel or Harrison Sale McCloy, as City Attorney as to any such matters other than the legal opinions rendered by Bond Counsel and by the City Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 06-60 adopted on August 16, 2006, as supplemented by Resolution No. 15-69 adopted on March 12, 2015 (collectively, the "Resolution").

We are aware that the making of the Loan and the acquisition of the Series 2015 Bond involves various risks, that the Series 2015 Bond is not a general obligation of the Issuer or payable from ad valorem tax revenues, and that the payment of the Series 2015 Bond is secured solely from the sources described in the Resolution (the "Pledged Funds").

We have made such independent investigation of the Pledged Funds as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our decision to make the Loan and acquire the Series 2015 Bond, we have relied upon the accuracy of information which has been provided to us.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 2015 Bond and can bear the economic risk of our investment in the Series 2015 Bond.

We acknowledge and understand that the Resolution is not being qualified under the Trust Indenture Act of 1939, as amended, and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Bond Counsel nor the City Attorney shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, and are making the Loan and acquiring the Series 2015 Bond for our own account and not with a present view towards a resale or other distribution to the public; provided, however, that RCA reserves the right to sell,

transfer or dispose of the Series 2015 Bond in accordance with its own judgment and in compliance with all applicable federal and state securities laws then in effect, and any person to whom RCA sells, transfers or disposes of the Series 2015 Bond will also be an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act or a "qualified institutional investor" under 144A of the Securities Act. We understand that the Series 2015 Bond may not be transferred in a denomination less than the par amount outstanding at the time of transfer.

We are not making the Loan and acquiring the Series 2015 Bond for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

RCA and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to the Resolution and any other information, materials or communications provided by RCA: (a) RCA and its representatives are not recommending an action to any municipal entity or obligated person; (b) RCA and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to the Resolution, information, materials or communications; (c) RCA and its representatives are acting for their own interests; and (d) the Issuer has been informed that the Issuer should discuss the Resolution and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer deems appropriate before acting on the Resolution or any such other information, materials or communications.

We are an "accredited investor" within the meaning of the Securities Act of 1933, as amended (the "1933 Act"), and Regulation D thereunder or a "qualified institutional buyer" under Rule 144A of the 1933 Act.

DATED this _____ day of _____, 2015.

[BANK]

By: _____

Name:

Title:

EXHIBIT "C"

FORM OF ESCROW DEPOSIT AGREEMENT

EXHIBIT C

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, dated as of March __, 2015, by and between the CITY OF PANAMA CITY BEACH, FLORIDA (the "Issuer"), and REGIONS BANK, a state banking corporation organized under the laws of the State of Alabama having a designated corporate trust office in Jacksonville, Florida, as Escrow Agent and its successors and assigns (the "Escrow Agent");

WITNESSETH:

WHEREAS, the Issuer has previously authorized and issued obligations, hereinafter defined as "Refunded Bonds", as to which the Total Debt Service (as hereinafter defined) is set forth on Schedule A; and

WHEREAS, the Issuer has determined to provide for payment of the Total Debt Service of the Refunded Bonds by depositing with the Escrow Agent an amount which together with investment earnings thereon is at least equal to such Total Debt Service; and

WHEREAS, in order to obtain the funds needed for such purpose, the Issuer has authorized and is, concurrently with the delivery of this Agreement, issuing its Bonds as defined herein; and

WHEREAS, the execution of this Escrow Deposit Agreement and full performance of the provisions hereof shall defease and discharge the Issuer from the aforestated obligations;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Issuer and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms mean:

- (a) "Agreement" means this Escrow Deposit Agreement.
- (b) "Annual Debt Service" means the interest, principal and redemption on the Refunded Bonds coming due in such year as shown on Schedule A attached hereto and made a part hereof.
- (c) "Bonds" means Capital Improvement Refunding Revenue Bonds, Series 2015 (Front Beach Road Project).
- (d) "Eligible Securities" means direct, full faith and credit, non-callable obligations of the United States of America.
- (e) "Escrow Account" means the account hereby created and entitled Escrow Account established and held by the Escrow Agent pursuant to this Agreement, in which cash and

investments will be held for payment of the principal of and accrued interest on the Refunded Bonds as they become due and payable.

(f) "Escrow Agent" means Regions Bank having a designated corporate trust office in Jacksonville, Florida, and its successors and assigns.

(g) "Escrow Requirement" means, as of any date of calculation, the sum of an amount in cash and principal amount of Federal Securities in the Escrow Account which together with the interest to become due on the Federal Securities will be sufficient to pay the Total Debt Service on the Refunded Bonds in accordance with Schedule A.

(h) "Issuer" means the City of Panama Beach City, Florida, and its successors and assigns.

(i) "Resolution" means Resolution No. 06-60 adopted on August 16, 2006, as supplemented by Resolution No. ____ adopted on March 12, 2015.

(j) "Refunded Bonds" a portion of the Issuer's outstanding \$54,835,000 Capital Improvement Revenue Bonds, Series 2006 (Front Beach Road Project).

(k) "Total Debt Service" means the sum of the principal, premium and interest remaining unpaid with respect to the Refunded Bonds in accordance with Schedule A attached hereto.

SECTION 2. Deposit of Funds. The Issuer hereby deposits \$_____ with the Escrow Agent for deposit into the Escrow Account, in immediately available funds, which funds the Escrow Agent acknowledges receipt of, to be held in irrevocable escrow by the Escrow Agent separate and apart from other funds of the Escrow Agent and applied solely as provided in this Agreement. \$_____ of such funds are being derived from proceeds of the Bonds. \$_____ of such funds are being derived from legally available funds of the Issuer. The Issuer represents that such securities and funds are at least equal to the Escrow Requirement as of the date of such deposit.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sums described in Section 2 and agrees:

(a) to hold the funds and investments purchased pursuant to this Agreement in irrevocable escrow during the term of this Agreement for the sole benefit of the Holders of the Refunded Bonds;

(b) to immediately invest \$_____ of such funds derived from the proceeds of the Bonds and other legally available funds of the Issuer in the Eligible Securities set forth on

Schedule C attached hereto, to hold \$_____ in cash and to hold such securities and cash in accordance with the terms of this Agreement;

(c) in the event the securities described on Schedule C cannot be purchased, substitute securities may be purchased with the consent of the Issuer but only upon receipt of verification from an independent certified public accountant that the cash and securities deposited will not be less than the Escrow Requirement and only upon receipt of an opinion of Bryant Miller Olive P.A., that such securities constitute Eligible Securities for purposes of this Agreement, and such substitution shall not affect the tax exempt status of interest on the Bonds or the Refunded Bonds; and

(d) there will be no investment of funds except as set forth in this Section 3 and Section 5 hereof.

SECTION 4. Payment of Bonds and Expenses.

(a) Refunded Bonds. On the dates and in the amounts set forth on Schedule A, the Escrow Agent shall transfer to _____ the Paying Agent for the Refunded Bonds (the "Paying Agent"), in immediately available funds solely from amounts available in the Escrow Account, a sum sufficient to pay that portion of the Annual Debt Service for the Refunded Bonds coming due on such dates, as shown on Schedule A.

(b) Expenses. On each of the due dates as shown on Schedule B, the Escrow Agent shall pay the portion of the expenses coming due on such date to the appropriate payee or payees designated on Schedule B or designated by separate certificate of the Issuer.

(c) Surplus. After making the payments from the Escrow Account described in Subsections 4(a) and (b) above, the Escrow Agent shall retain in the Escrow Account any remaining cash in the Escrow Account in excess of the Escrow Requirement until the termination of this Agreement, and shall then pay any remaining funds to the Issuer for deposit into the Debt Service Fund to pay interest on the Bonds.

(d) Priority of Payments. The Holders of the Refunded Bonds shall have an express first priority security interest in the funds and Eligible Securities in the Escrow Account until such funds and Eligible Securities are used and applied as provided in this Agreement.

SECTION 5. Reinvestment. (a) Except as provided in Section 3 and in this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Eligible Securities held hereunder.

(b) At the written request of the Issuer, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Eligible Securities acquired hereunder and shall substitute other Eligible Securities and reinvest any excess

receipts in Eligible Securities. The Issuer will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which will cause interest on the Bonds to be included in the gross income of the Holders thereof for purposes of Federal income taxation. The transactions may be effected only if (i) an independent certified public accountant selected by the Issuer shall certify or opine in writing to the Issuer and the Escrow Agent that the cash and principal amount of Eligible Securities remaining on hand after the transactions are completed will be not less than the Escrow Requirement, and (ii) the Escrow Agent shall receive an opinion from a nationally recognized bond counsel acceptable to the Issuer to the effect that the transactions, in and by themselves will not cause interest on such Bonds or the Refunded Bonds to be included in the gross income of the Holders thereof for purposes of Federal income taxation and such substitution is in compliance with this Agreement.

SECTION 6. No Redemption or Acceleration of Maturity. Except as set forth in the Resolution and reflected on Schedule A hereto, the Issuer will not accelerate the maturity of, or exercise any option to redeem before maturity, any Refunded Bonds.

SECTION 7. Responsibilities of Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds deposited therein, the purchase of the Eligible Securities, the retention of the Eligible Securities or the proceeds thereof or for any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent or non-willful act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be responsible for its negligent or willful failure to comply with its duties required hereunder, and its negligent or willful acts, omissions or errors hereunder. The duties and obligations of the Escrow Agent may be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the Issuer, at the Issuer's expense and in reliance upon the opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer.

SECTION 8. Resignation of Escrow Agent. The Escrow Agent may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer, any rating agency then providing a rating on either the Refunded Bonds or the Bonds, and the Paying Agent for the Refunded Bonds not less than sixty (60) days before such resignation shall take effect. Such resignation shall not take effect until the appointment of a new Escrow Agent hereunder.

SECTION 9. Removal of Escrow Agent.

(a) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, executed by the Holders of not less than fifty-one percentum (51%) in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the Issuer, and notice in writing given by such Holders to the original purchaser or purchasers of the Bonds and published by the Issuer once in a newspaper of general circulation in the territorial limits of the Issuer, and in a daily newspaper or financial journal of general circulation in the City of New York, New York, not less than sixty (60) days before such removal is to take effect as stated in said instrument or instruments. A photographic copy of any instrument filed with the Issuer under the provisions of this paragraph shall be delivered by the Issuer to the Escrow Agent.

(b) The Escrow Agent may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Escrow Agent by any court of competent jurisdiction upon the application of the Issuer or the Holders of not less than five percentum (5%) in aggregate principal amount of the Bonds then outstanding, or the Holders of not less than five percentum (5%) in aggregate principal amount of the Refunded Bonds then outstanding.

(c) The Escrow Agent may not be removed until a successor Escrow Agent has been appointed in the manner set forth herein.

SECTION 10. Successor Escrow Agent.

(a) If at any time hereafter the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Agent shall thereupon become vacant. If the position of Escrow Agent shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall appoint an Escrow Agent to fill such vacancy and, upon such appointment, all assets held hereunder shall be transferred to such successor. The Issuer shall either (i) publish notice of any such appointment made by it once in each week for four (4) successive weeks in a newspaper of general circulation published in the territorial limits of the Issuer and in a daily newspaper or financial journal of general circulation in the City of New York, New York, or (ii) mail a notice of any such appointment made by it to the Holders of the Refunded Bonds within thirty (30) days after such appointment.

(b) At any time within one year after such vacancy shall have occurred, the Holders of a majority in principal amount of the Bonds then outstanding or a majority in principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed by either group of such bondholders and filed with the governing body of the Issuer, may appoint a successor Escrow Agent, which shall supersede any Escrow Agent theretofore appointed by the

Issuer. Photographic copies of each such instrument shall be delivered promptly by the Issuer, to the predecessor Escrow Agent and to the Escrow Agent so appointed by the bondholders. In the case of conflicting appointments made by the bondholders under this paragraph, the first effective appointment made during the one year period shall govern.

(c) If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section, the holder of any Refunded Bonds then outstanding, or any retiring Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Agent.

(d) Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer the bond administration portion of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Escrow Agent hereunder and vested with all the trust, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any parties hereto, anything herein to the contrary notwithstanding, provided such successor shall have reported total capital and surplus in excess of \$15,000,000, provided that such successor Escrow Agent assumes in writing all the trust, duties and responsibilities of the Escrow Agent hereunder.

SECTION 11. Payment to Escrow Agent. The Escrow Agent hereby acknowledges that it has agreed to accept compensation under the Agreement in the sum of \$_____, payable at closing, for services to be performed by the Escrow Agent pursuant to this Agreement, plus out-of-pocket expenses (including attorneys fees) to be reimbursed at cost from legally available funds of the Issuer. The Escrow Agent shall have no lien or claim against funds in the Escrow Account for payment of obligations due it under this Section.

SECTION 12. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Bonds have been paid and discharged in accordance with the proceedings authorizing the Refunded Bonds.

SECTION 13. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, notice of such event shall be sent to the municipal bond insurer(s) for the Refunded Bonds, if any, as well as Moody's Investors Service, Inc., Fitch Ratings, Inc., and Standard & Poor's Ratings Services (but only to the extent such agencies have a rating outstanding on any of the Refunded Bonds), and while such covenant or agreements herein contained shall be null and void and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 14. Amendments to this Agreement. This Agreement is made for the benefit of the Issuer and the Holders from time to time of the Refunded Bonds and the Bonds and it shall not be repealed, revoked, altered or amended in whole or in part without the written consent of all affected Holders, the Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such Holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such Holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent, for the benefit of the Holders of the Bonds and the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall, at its option, be entitled to request at the Issuer's expense and rely exclusively upon an opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to the Issuer with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the Holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section. Prior written notice of such amendments, together with proposed copies of such amendments shall be provided to Moody's Investors Service, Fitch Ratings, Inc., and Standard & Poor's Ratings Services (but only to the extent such agencies have a rating outstanding), each rating agency then providing a rating on the Refunded Bonds.

SECTION 15. Indemnity. To the extent permitted by law, the Issuer hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against at any time, the Escrow Agent (whether or not also indemnified against the same by the Issuer or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account established hereunder, the acceptance of the funds and securities deposited therein, the purchase of the Eligible Securities, the retention of the Eligible Securities or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Issuer shall not be required to indemnify the Escrow Agent against its own negligence or willful misconduct. In no event shall the Issuer be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this Section.

The indemnities contained in this Section shall survive the termination of this Agreement. The Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Escrow Requirement. Furthermore, the Escrow Agent shall not be liable for the accuracy of the calculation as to the sufficiency of moneys and the principal amount of Eligible Securities and the earnings thereon to pay the Escrow Requirement.

SECTION 16. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 17. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Florida without regard to conflict of law principles.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

CITY OF PANAMA BEACH CITY, FLORIDA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
Holly White, City Clerk

ESCROW DEPOSIT AGREEMENT

REGIONS BANK

(SEAL)

By: _____

Name:

Title:

ATTEST:

By: _____

Name:

Title:

SCHEDULE A

TOTAL DEBT SERVICE
FOR
REFUNDED BONDS

Debt Service

Period Ending	Interest	Principal Redeemed	Total

SCHEDULE B

EXPENSES TO BE PAID BY ESCROW AGENT

Date: _____

Name of Payee and Payee Payment Information

Amount

None

SCHEDULE C

SCHEDULE OF ELIGIBLE SECURITIES

EXHIBIT "D"

COSTS OF ISSUANCE

Par Amount	\$43,500,000
Bond Counsel Fee	43,500 *
Issuer and Agency Counsel	43,500
Financial Advisor Fee	30,000 *
Original Purchaser's Counsel	22,500
Escrow Structuring Fee ⁽¹⁾	2,500 *
Verification Agent Fee	1,450
Escrow Agent Fee	1,500
Misc.	<u>10,000</u>
Total	\$154,950

* Fees are based on not to exceed \$43,500,000 of Bonds.

⁽¹⁾ This fee will be \$25,000 if a competitively bid open market treasury escrow is completed.

EXHIBIT "E"

FORM OF BOND

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF BAY
CITY OF PANAMA CITY BEACH
CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS
SERIES 2015 (FRONT BEACH ROAD PROJECT)

Interest Rate	Final Principal Installment Date	Date of Original Issue
_____ %*	_____ / _____	_____ / _____
Subject to adjustment		

Registered Holder:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the City of Panama City Beach, Florida, a municipal corporation duly and validly existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the sources of payment hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, the Principal Amount identified above in annual installments on November 1 in the years as provided on Schedule I attached hereto and interest (calculated on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified , subject to adjustment to a rate of 3.99% in the event of a Determination of Taxability (as defined in the Resolution), on November 1 and May 1 of each year, commencing May 1, 2015 until such Principal Amount shall have been paid or provided for, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount and interest and the premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount and the premium, if any, on this Bond, are payable, at the office of the City Clerk of City of Panama City Beach, Florida, as paying agent, or such other paying agent as the

Issuer shall hereafter duly appoint (the "Paying Agent"). Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by Paying Agent, as registrar, or such other registrar as the Issuer shall hereafter duly appoint (the "Registrar"), at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of the Paying Agent mailed to such Registered Holder at the address appearing on such registration books or at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder. In the event interest payable on this Bond is not punctually paid or duly provided for by the Issuer on such interest payment date, payment of each installment of such defaulted interest shall be made to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Registered Holder, not less than ten (10) days preceding such special record date.

This Bond is an authorized issue of the Issuer in the principal amount of \$_____ (the "Bond"), issued to refinance a portion of the Issuer's outstanding \$54,835,000 Capital Improvement Revenue Bonds, Series 2006 (Front Beach Road Project), in and for the Issuer, under the authority of laws of the State of Florida, particularly Chapter 166, Part II, Florida Statutes and Chapter 163, Part III, Florida Statutes, as amended, and other applicable provisions of law (the "Act"), and a resolution duly adopted by the City Council of the City of Panama City Beach, Florida on August 16, 2006, as supplemented by a resolution duly adopted on March 12, 2015 (collectively, the "Resolution"), and is subject to all the terms and conditions of the Resolution.

The principal of, premium, if any, and interest on this Bond is payable solely from and secured by a lien upon and a pledge of the Pledged Revenues (as defined in the Resolution), and, until applied in accordance with the provisions of the Resolution, the proceeds of the Bond and all moneys, including investments thereof, in certain of the funds and accounts established pursuant to the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"). It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of neither the Issuer, Bay County, the State of Florida, nor any political subdivision thereof, is pledged to the payment of the principal of or premium, if any, or interest on this Bond and that the Registered Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer, Bay County, the State of Florida, or any political subdivision thereof, to the payment of such principal, premium, if any, and interest. The Issuer has no power to levy or collect ad valorem taxes. This Bond and the obligation evidenced hereby shall not constitute a lien upon the property of the Issuer, except the Pledged Funds, and shall be payable solely from the Pledged Funds in accordance with the terms of the Resolution.

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

The Bond may be subject to redemption prior to its maturity, at the option of the Issuer, on the tenth (10th) anniversary of the delivery date of the Bond and on any date thereafter. The Bond shall be redeemed in whole or in part (and if in part, in inverse order of maturing installments of principal thereof) at a redemption price equal to 100% of the principal amount of the Bond to be redeemed, plus accrued interest to the redemption date.

Unless waived by the Holder, written notice of redemption shall be given by the Issuer to the Holder at least five (5) Business Days prior to the date of such redemption.

This Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida, but may be transferred only in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder in person or by such Holder's attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, prescribed in the Resolution. This Bond is issuable in fully registered form. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated to make any exchange or transfer of this Bond during the fifteen (15) days next preceding an interest payment date, or in the case of any proposed redemption of this Bond or any portion hereof, then for the amount of this Bond subject to redemption, during the fifteen (15) days next preceding the date of the first mailing of the notice of such redemption and continuing until such redemption date established for this Bond.

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

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Registrar.

IN WITNESS WHEREOF, the City of Panama City Beach, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Mayor and City Manager and attested and countersigned by the manual or facsimile signature of its City Clerk and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the _____ day of _____, 2015.

CITY OF PANAMA CITY BEACH, FLORIDA

(SEAL)

By: _____
Name: _____
Title: Mayor

By: _____
Name: _____
Title: City Manager

ATTESTED AND COUNTERSIGNED:

By: _____
Name: _____
Title: City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

_____, 2015

City Clerk,
Registrar

By: _____
Authorized Signatory

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

TEN ENT -- as tenants by the entireties

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

UNIF TRANS MIN ACT --

(Cust.)

Custodian for

under Uniform Transfer to Minors Act of

(State)

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

ASSIGNMENT

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

Insert Social Security or Other
Identifying Number of Assignee

(Name and Address of Assignee)

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

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

SCHEDULE I

DEBT SERVICE SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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