



CITY HALL  
TALLAHASSEE, FL  
32301-1731  
904/599-8100

STEVE MEISBURG  
Mayor-Commissioner  
DEBBIE LIGHTSEY  
Mayor Pro Tem-  
Commissioner

BOB HIGHTOWER  
Commissioner  
DOROTHY HANMAN  
Commissioner  
JACK L. McLEAN, JR.  
Commissioner

DANIEL A. KLEMAN  
City Manager  
ROBERT B. INZER  
City Treasurer-Clerk

JAMES R. ENGLISH  
City Attorney  
RICARDO FERNANDEZ  
City Auditor

July 13, 1990

50-302

Document Control Desk  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

Gentlemen:

The City of Tallahassee, Florida, is a participant through Florida Power Corporation in the Crystal River Unit #3, under License No. BPR72 dated January 28, 1977, and as such, the City has been going through the process of determining the most prudent method for complying with the NRC guidelines as they relate to decommissioning reserves and "financial assurance". After much consideration, which included conversations with Mr. Robert Wood of the NRC, the City feels it can provide the security and guarantee sought by NRC through the use of a Trust Fund, established by the City Commission, to be administered by the Sinking Fund Commission, a body established by City Charter.

The City of Tallahassee is organized under a Commission-Manager form of government, with a five member elected Commission. This Commission has the power to establish restricted funds and to designate, by resolution, trustees as needed to carry out the business of the City. The restricted fund established by the City Commission in response to the NRC's request for financial assurance is a trust fund as described by the Trust Agreement attached hereto. Such trust is legally binding upon the current City Commission and all future City Commissions. By Resolution No. 90-000-000, a copy of which is attached, the City Commission designated the City of Tallahassee Sinking Fund Commission as Trustees of the Trust Fund established to provide financial assurance to the NRC. The Sinking Fund Commission is an eight member body created by the passage of the City Charter through a special Act of the Florida Legislature in 1919. The Sinking Fund Commission is made up of the five elected City Commissioners and three trustworthy, knowledgeable members of the local financial community, selected by the City Commission. Action can only be taken in response to a seven eighths vote of the members of the Sinking Fund Commission. The Charter assigns to the Sinking Fund Commission, the responsibility of administering the pension assets and sinking funds of the City, both of which are restricted funds held in trust and are not accessible to the City for any other lawful purpose other than those identified by the authorizing trust documents.

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July 13, 1990  
Page Two

The City's Attorney has opined that the Trust Fund proposed by the City guarantees that all funds appropriated and deposited in the trust would be exclusively available, when needed, for decommissioning of Crystal River No. 3 and that the NRC would have an external sinking fund outside the control of the City. The Trust Fund as proposed by the City does not conformed to the guidelines referred to above; therefore, the City of Tallahassee is hereby requesting that they be granted an exception as provided for in Section 50.12 of the guidelines, specifically Paragraph (a)(2)(ii) wherein "Application of the regulation in the particular circumstances ... is not necessary to achieve the underlying purpose of the rule."

To assist you in your consideration of this request, attached, in addition to the aforementioned resolution and trust agreement, is a copy of the section of the City Charter dealing with the structure and responsibilities of the Sinking Fund Commission. If further information is needed, please do not hesitate to contact me at (904)599-8130 or the City's Attorney, Pat Hurley, at (904)599-8554.

Your favorable consideration of this request would be most graciously appreciated.

Sincerely,



Robert B. Inzer  
City Treasurer-Clerk

RBI/LBS/w

xc: K. E. McDonald, Treasurer  
Florida Power Corporation  
Robert Wood, Sr. Financial Policy Analyst  
Nuclear Regulatory Commission



**GENERAL OPERATING POOL  
INVESTMENT POLICY**

**I.     AUTHORITY**

In accordance with Section 51 of the City Charter, the responsibility for administering the investment program of the City resides with the Treasurer-Clerk (or his designee). It shall be his responsibility to provide for the proper internal controls, safekeeping, disposal of and recording for all investment assets held or controlled by the City. No person may engage in any investment transaction with City funds or funds held in a Trust relationship by the City, except as authorized by the Treasurer-Clerk. This policy is promulgated pursuant to and consistent with the provisions of Section 166.261, Florida Statutes, and Chapter 51, City of Tallahassee Charter.

**II.    SCOPE AND PURPOSE**

All financial assets held or controlled by the City, not otherwise classified as restricted assets requiring separate investing, shall be identified as "general operating funds" of the City for the purpose of this policy, and shall be invested under the guidelines as herein set forth. The guidelines provided herein are the general operating procedures. There are times when risks of specific investments may temporarily increase such that the Investment Advisory Committee, in concert with the City Treasurer-Clerk, may operate under a more restrictive policy. Additionally, at times, exceptions to the policy may need be made, as recommended by the City Treasurer-Clerk on a case by case basis, and with the approval of a majority of the members of the Investment Advisory Committee established under Section VI of this policy.

It is the intent of this policy to provide the City Treasurer-Clerk sufficient latitude to effectively manage the City's financial assets so as to maximize the return on assets within an acceptable exposure to risk. In an effort to accomplish the aforementioned, this policy identifies various portfolio parameters addressing investment instrument and issuer diversification, maturity constraints, investment ratings and liquidity.

### III. OBJECTIVES

The foremost objective of the City's investment activity is the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio for each quarter.

The City's portfolio shall be designed to attain a market rate of return, taking into account the City's investment risk constraints as discussed in Section IX of this policy. Attachment "A" are indices used to evaluate the performance of this portfolio. This list, developed by the Treasurer-Clerk, will periodically be reviewed by the Investment Advisory Committee, established under Section VI of this policy, to determine the applicability of the indices and to recommend changes as needed.

The maturity schedule of the City's portfolio will provide sufficient liquidity to meet the budgeted operating and capital requirements of the City and to meet other cash requirements which might reasonably be expected. The normal duration range of the City's General Operating Portfolio is .5 years to 2.5 years with the average being 1.5 years. Unusual market or economic conditions may mandate moving the portfolio outside of this range. Prior to liquidating or purchasing securities that will move the City's portfolio outside of the duration ranges shown above, the Investment Advisory Committee will be consulted.

### IV. PRUDENCE

The standard of prudence to be used by the Treasurer-Clerk and his designee(s) shall be the "prudent person" and shall be applied in the context of managing the overall portfolio. The Treasurer-Clerk and his designee(s), acting in accordance with established procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to minimize losses.

### V. REPORTING

The Treasurer-Clerk's Office shall provide the Finance Department timely transaction data as necessary to record and document investment activity.



The Treasurer-Clerk' Office shall submit to each member of the Sinking Fund Commission a quarterly investment report with information sufficient to provide for a comprehensive review of investment activity and performance for the quarter. The quarterly report shall be reviewed in detail by the Investment Advisory Committee.

The Treasurer-Clerk's Office shall provide to the external and internal auditors and to the Finance Department, such annual reports as are requested for the purpose of developing and supporting the Annual Financial Statements of the City, and the footnotes thereto.

The Treasurer-Clerk's Office shall provide other such reports and information as deemed reasonable, upon request, from other internal and external sources.

VI. INVESTMENT ADVISORY COMMITTEE

There is hereby created the Investment Advisory Committee of the City, such committee to be composed of the three members of the Sinking Fund Commission (as established by Sections 65 and 65.1 of the City Charter) who are not City Commissioners

- A. Meetings - The City Treasurer-Clerk or any member of the Investment Advisory Committee shall have the power to call meetings of the Committee. Meetings shall be called at least on a quarterly basis by the City Treasurer-Clerk to review the quarterly investment report.
- B. Duties and Responsibilities - It shall be the duty and responsibility of the Investment Advisory Committee to:
  - 1. Approve the lists of authorized dealers, brokers and issuers referenced in Section XI of this policy, as well as any additions to or deletions from such lists.
  - 2. Immediately notify the Treasurer-Clerk in the event any information comes to their attention that may have an adverse effect upon the security or marketability of any of the investments purchased under the provisions of this policy.
  - 3. Recommend any amendments to this policy to the City Commission.

4. Review the City's General Portfolio activity and performance for compliance with this policy. Advise City investment staff as to recommendations relative to said portfolio activity/performance. Inform the City Commission of unaddressed concerns with the management of the City's investment portfolio.
- C. Limits of Liability - City of Tallahassee Resolution 86-R-1454, passed and adopted by the City Commission on November 25, 1986, provides for the defense and indemnification of any committee member who is made a party to any suit or proceeding, other than by an action of the City, or against whom a claim is asserted by reason of their actions taken within the scope of their service as an appointed member of this committee. Such indemnity shall extend to judgements, fines, and amounts paid in settlement, of any such claim, suit, or proceeding, including any appeal thereof. This protection shall extend only to members who have acted in good faith and in a manner which they reasonably believe to be in, or not opposed to, the best interest of the City of Tallahassee.

#### VII. BANK AND DEALER SELECTION

Certificates of deposit purchased under the authority of this policy will be purchased only through Qualified Public Depositories of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the State Statutes.

Repurchase and reverse repurchase agreements shall be negotiated only with firms approved by the Investment Advisory Committee in accordance with Section VI of this policy.

For broker/dealers of other investment instruments, the City shall utilize only primary dealers except as specifically otherwise authorized by the Investment Advisory Committee.

Before engaging in investment transactions with a broker/dealer, the Treasurer-Clerk shall have received from said firm a signed Certification Form attesting that the individual responsible for the City's account with that firm has reviewed the City's Investment Policy and that they agree to undertake reasonable efforts to preclude imprudent transactions involving City funds.



VIII.

SAFEKEEPING AND CUSTODY

All securities purchased by the City under this policy shall be properly designated as assets of the City of Tallahassee and shall be protected through the use of a third-party custody/safekeeping agent. The City shall enter into a formal agreement with an institution of such size and expertise as is necessary to provide the services needed to protect and secure the investment assets of the City.

All securities purchased by the City under this policy shall be purchased using the "delivery versus payment" procedure. If it is ever determined to be necessary to perform security transactions on a "free delivery" basis, or to have securities held by the broker/dealer for a temporary period, the approval of the Treasurer-Clerk must be secured prior thereto and the reason documented in writing.

IX.

RISKS

The City recognizes that investment risks can result from issuer defaults, market price changes, changes in credit rating, reinvestment of principal or interest, or various technical complications leading to temporary illiquidity. Portfolio diversification and maturity limitations are employed as the primary methods of controlling risk. Investment personnel are expected to display prudence in the selection of securities as a way to minimize default risk. In the event of a default by a specific issuer, the Treasurer-Clerk shall review and, if appropriate, proceed to liquidate securities having comparable credit risks.

To limit the City's credit risks against possible losses, a maximum of \$5,000,000 in all securities of any corporate entity may be held at any one time, inclusive of commercial paper, medium term notes, or corporate notes and bonds. This limit applies to all City-managed portfolios, in aggregate, with the exception of the Pension Fund portfolio.

X.

SECURITY SELECTION PROCESS

When purchasing or selling securities, the Treasurer-Clerk or his designee(s) shall select the security which provides the highest rate of return within the parameters of this policy and given the current objectives and needs of the City's portfolio. These selections shall be made utilizing one of the following methods.

- A. Competitive bids, wherein the City solicits proposals from a minimum of three firms.
- B. Comparison to the current market price as indicated by one of the market pricing resources available to the City. These include, but are not limited to:
  - 1. Bloomberg Information Delivery System.
  - 2. Wall Street Journal, or a comparable nationally recognized financial publication providing daily market pricing.
  - 3. Daily market pricing provided by the City's Custody Agent or their correspondent institution.

In most situations, the City shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall be utilized when, in the judgement of the investment staff, competitive bidding would inhibit the selection process. Examples of when this might occur are:

- A. When a dealer brings to the City an unsolicited swap or proposal.
- B. When no active market exists for the issue being traded due to the age or depth of the issue.
- C. When time constraints due to unusual circumstances preclude use of the competitive bidding process.
- D. When a security is unique to a single dealer, for example, a private placement.
- E. When the transaction involves new issues or issues in the "when issued" market.

When using the competitive bid process, all bids shall become part of the record of the specific security involved. When selection is made based on comparison to current market price, the following information shall become part of the record of the security involved:

- A. Reason for use of this method.
- B. Source of the current market value used.
- C. Price and/or interest rate quoted by said source.



XI. LIQUIDITY

To meet the day-to-day operating needs of the City and to provide the ready cash to meet unforeseen temporary cash requirements, the General Operating Pool shall maintain a minimum of \$10,000,000 in liquid investments defined as repurchase agreements purchased under the terms of the City's depository contract, open repurchase agreements, negotiable certificates of deposit, banker's acceptances, commercial paper, U.S. Treasury direct and agency obligations all having a maturity of 90 days or less, and the SBA Local Government Pool, all as purchased under the dictates of this policy.

XII. AUTHORIZED INVESTMENT

A. Repurchase agreements purchased only from dealers included on Attachment "B", a list of dealers developed by the City Treasurer-Clerk and approved and, from time to time as necessary, amended by the Investment Advisory Committee. Any firm through whom the City transacts repurchase agreements must have on file with the City a fully executed copy of the City's Master Repurchase Agreement, included here as Attachment "C".

1. At least \$3,000,000 must be invested at all times in the repurchase agreement under the terms of the City's depository contract. In the event the balance so invested falls below \$3,000,000, the first available monies must be used to restore the required balance.
2. Repurchase Agreements may only involve the sale and repurchase of securities authorized for purchase by this policy.
3. No more than \$10,000,000 can be placed with any one dealer, inclusive of all type repos (open, term) at one time.
4. Maximum portfolio mix is 50%.
5. Maximum maturity at purchase shall not exceed 180 days with a total average maturity, at any point in time, for all repos held of not greater than 60 days.

B. U.S. Treasury bills, notes and bonds

1. Minimum portfolio mix for these instruments, inclusive of all types, shall be 20%.

2. In the event the balance so invested falls below 20%, the first available monies, after the provisions of XI.A.1., have been met, shall be used to restore the required balance.
3. Maximum maturity at time of purchase shall be 7 years with a total average maturity not to exceed 3.5 years.

C. State Board of Administration Local Government Surplus Funds Investment Pool

1. Maximum portfolio mix at any one time shall be 50%. Exception: temporary investment of bond proceeds or other extraordinary receipt of funds, until permanent investment made.

D. Commercial paper both taxable and tax exempt, issued in the United States by any corporation or municipality, provided: that a corporate instrument carries a rating of A1/P1 (or comparable rating) as provided by two of the top nationally recognized rating agencies and a municipal instrument carries the highest rating provided by a nationally recognized rating agency; and that the corporation's long term debt, if any, is rated at least A1/A+ by Moody's/Standard and Poors/or a comparable rating by another nationally recognized rating agency or, if backed by a letter of credit (LOC), the long term debt of the LOC provider must be rated at least AA (or a comparable rating) by at least two of the nationally recognized agencies publishing ratings for financial institutions.

1. The pool may own no more than \$5,000,000 in commercial paper issued by any corporation.
2. Maximum portfolio mix for taxable commercial paper shall be 30% of the unrestricted portfolio. Maximum portfolio mix for banker's acceptances and taxable commercial paper combined shall be 40% of the unrestricted portfolio. Total tax exempt commercial paper shall not exceed the total on deposit in the restricted portfolio.
3. Maximum maturity shall not exceed 270 days from the time of purchase.



E. Banker's acceptances issued within the U.S. by depository institutions with a long term debt rating of at least AA or short term debt rating of AAA (or comparable ratings), as provided by one of the top nationally recognized rating agencies. Exceptions to the above, as suggested by the Treasurer-Clerk and approved and, from time to time as necessary, amended by the Investment Advisory Committee, are shown on Attachment "D".

1. The pool may own no more than \$5,000,000 of banker's acceptances issued by any one depository institution at one time.
2. Maximum portfolio mix for banker's acceptances shall be 30%. Maximum portfolio mix for bankers acceptances and commercial paper combined shall be 40%.
3. Maximum maturity shall not exceed 270 days from the time of purchase.

F. Nonnegotiable certificates of deposit issued by Florida Qualified Public Depositories as identified by the State Treasurer's office.

1. The pool may own no more than \$5,000,000 in certificates of one any depository institution at one time.
2. Maximum portfolio mix for certificates of deposit shall be 20%.
3. Maximum maturity on any certificate shall be 2 years from the time of purchase, with a total average maturity, at any point in time, for all certificates held not to exceed 1 year.

G. Federal Instruments eligible for purchase are bonds, notes and discount notes of the Federal Home Loan Mortgage Association, Federal National Mortgage Association, Federal Farm Credit and Student Loan Marketing Association.

1. Maximum portfolio mix for these instruments, inclusive of all types, shall be 30%.
2. Maximum maturity at purchase shall be 5 years with a total average maturity at any one time not to exceed 2.5 years.

H. Mutual Funds/Money Market Funds

1. The pool can only participate in open-ended funds.
2. The underlying securities in which the money market funds are invested must be in conformance with the list of authorized investments provided for in this policy.
3. When utilizing such funds for the investment of bond proceeds, relevant expenditures schedules, if available, will be used in selecting the appropriate funds.

THE MAXIMUM PORTFOLIO MIX FOR THE FOLLOWING FOUR CATEGORIES COMBINED SHALL BE 25%. THIS LIMITATION SUPERSEDES ANY INDIVIDUAL CATEGORY LIMITATIONS.

I. U.S. government guaranteed agency and sponsored securities

1. GNMA pass through securities
  - a. The pool may own no more than \$5,000,000 of any one GNMA pool at one time.
  - b. Maximum portfolio mix for GNMA securities shall be 5%.
  - c. Maximum maturity at purchase for any GNMA security shall be 15 years.
2. Construction loan certificates purchased from a primary or reporting dealer which certifies the FHA mortgage insurance and permanent GNMA takeout are already in place.
  - a. The pool's participation in any one project shall be limited to \$3,000,000.
  - b. Maximum portfolio mix for construction loan certificates shall be 5%.
  - c. Maximum length of commitment by the City at purchase shall be 36 months.

- J. Fixed income securities to include both taxable and tax exempt, issued by any corporation or municipality in the United States, provided that such instrument, if a corporate security is rated at least A1/A+ and, if a municipal security, is rated at least A (or comparable rating) by two of the nationally recognized firms publishing ratings for corporations.



1. The pool may own no more than \$2,000,000 of such instruments issued by any one corporation at one time.
  2. Maximum portfolio mix for corporate and municipal fixed income securities shall be 75% of the total long term bond reserve funds or other permanent reserves deposited in the pool, as established by the City Commission or bond covenant.
  3. Maximum maturity at purchase shall be 5 years. Securities of a longer maturity may be purchased if they provide a put date within 5 years of purchase. The total average maturity for all corporate fixed income securities held at any one time shall not exceed 2.5 years.
- K. Guaranteed Investment Contracts (GICs) with insurance companies rated in the highest category by AM Best Rating System/or a comparable nationally recognized rating service.
1. Fixed Rate GICs - Maximum maturity from purchase of one year. Variable Rate GICs - Maximum maturity from purchase of 5 years.
  2. The pool may own no more than \$5,000,000 contracts with one company at one time.
  3. Maximum portfolio mix at any point in time is 5%.
  4. The above restrictions would not apply to the investment of bond proceeds, therefore allowing bond proceeds to be placed with an authorized issuer without limitation as to amount and with such maturity as to allow accommodation of related expenditure schedules, if such are available. Such placement would not impact the placement of non-bond related funds in this investment category as provided above.
- L. Investment Agreements with financial institutions on Attachment "E", a list of originators developed by the City Treasurer-Clerk and approved and, from time to time as necessary, amended by the Investment Advisory Committee.
1. If collateralized, the collateral securing the investment agreement shall be limited to those securities authorized for purchase by this policy.

2. Maximum portfolio mix at any one time shall be 10%.
3. The pool may own, at one, time, no more than \$10,000,000 in investment agreements from any one originator.
4. Maximum maturity shall be one year from the time of purchase.
5. The above restrictions would not apply to the investment of bond proceeds, therefore allowing bond proceeds to be placed with an authorized issuer without limitation as to amount and with such maturity as to allow accommodation of related expenditure schedules, if such are available. Such placement would not impact the placement of non-bond related funds in this investment category as provided above.

XIII. Existing Investments

Any investments currently held that do not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies so invested shall be reinvested only as provided for in this policy.

The City Treasurer-Clerk may take a sufficient period of time to adjust the existing portfolio to the provisions of the policy so as not to require the premature liquidation of any investment.

XIV. Effective Date

This policy shall become effective immediately upon its adoption by the City Commission.



ATTACHMENT "A"  
BENCHMARK INDEXES  
CITY OF TALLAHASSEE, FLORIDA  
GENERAL OPERATING PORTFOLIO

Section III of the City's Investment Policy, of which this attachment is part, provides for the establishment of relevant indexes to be utilized in the evaluation of the performance of this portfolio. Two tests, with a description of each included below, have been created utilizing the following indexes:

- A. Quarterly Return for the State Board of Administration Local Government Surplus Funds Investment Pool, Annualized.
- B. 182 DAY U.S. Treasury Bill Quarterly Index, Annualized - as provided by Merrill Lynch Capital Markets Fixed Income Research Department.
- C. Short Term (1 - 2.99 years) High and Medium Quality Corporate Index, Annualized - as provided by Merrill Lynch Capital Markets Fixed Income Research Department.
- D. Short Term (1 - 2.99 years) Treasury Index, Annualized - as provided by Merrill Lynch Capital Markets Fixed Income Research Department.

TEST I - PERFORMANCE TEST

Test I has been constructed to analyze the performance of the City's General Operating Portfolio as measured against a portfolio with a similar structure of maturities and types of instruments. The following formula has been developed using the above referenced indexes:

$$(E * A) + (F * B) + (G * C) + (H * D) = \text{Performance Index}$$

E = Percent of portfolio in securities of less than 90 days maturity at end of quarter being evaluated.

F = Percent of portfolio in securities with maturities at the end of the quarter of more than 90 days but not more than 1 year.

G = Percent of portfolio in corporate securities at end of quarter being evaluated.

H = 100% less percentages from A, B and C above.

## TEST II - STRUCTURE TEST

A "normal" portfolio has been created with diversification representing the position of the City's General Operating Portfolio in a market/economic environment of stable interest rates with a normal yield curve and a neutral outlook relative to the direction of interest rates. Incorporating this portfolio diversification, expressed below as items I - L, and the previously described indexes (items A - D), an index results that tests the value added through repositioning the portfolio in anticipation of/response to movements in interest rates. Based on the above, the following formula has been developed:

$$(I * A) + (J * B) + (K * C) + (L * D) = \text{Test II Index}$$

I = 20%, assumed to be the percent of the portfolio in securities with maturities under 90 days.

J = 25%, assumed to be the percent of the portfolio in securities with maturities of greater than 90 days but not more than one year.

K = 15%, assumed to be the percent of the portfolio in corporate securities with maturities greater than one year and a total average maturity of not longer than 2.5 years.

L = 40%, assumed to be the percent of the portfolio in U.S. government securities with maturities of greater than one year and a total average maturity of not longer than 3.5 years.



ATTACHMENT "B"  
AUTHORIZED REPURCHASE AGREEMENT PROVIDERS  
CITY OF TALLAHASSEE, FLORIDA  
GENERAL OPERATING PORTFOLIO

ANY FINANCIAL INSTITUTION OR FIRM WITH WHOM THE CITY OF TALLAHASSEE ENTERS INTO REPURCHASE AGREEMENTS MUST HAVE ON FILE WITH THE CITY A FULLY EXECUTED COPY OF THE CITY'S MASTER REPURCHASE AGREEMENT, SHOWN IN THIS POLICY AS ATTACHMENT "C".

1. All primary dealers.
2. The City's primary depository and the correspondent banks utilized by them to carry out the business of the City. Currently the City's primary depository is Capital City First National Bank of Tallahassee. The correspondent bank with whom repurchase agreements may be transacted is Trust Company of Georgia.
3. The City's custody agent and the correspondent bank utilized by them to carry out the business of the City. At present the City's custody agent is Capital City First National Bank of Tallahassee. The correspondent bank is Northern Trust Company, Chicago.
4. Other banks with whom the City has a trust relationship for specific purposes such as compliance with bond covenants. Banks currently in this category are Florida National Bank, Jacksonville, and First Florida Bank, Tampa.

ATTACHMENT "D"  
AUTHORIZED BANKER'S ACCEPTANCE PROVIDERS  
CITY OF TALLAHASSEE, FLORIDA  
GENERAL OPERATING PORTFOLIO

EXCEPTIONS:

Financial Institutions meeting the debt rating criteria but with whose paper the City will not purchase:

ADDITIONS:

Financial Institutions not meeting the debt rating criteria whose paper the City can purchase:



ATTACHMENT "E"  
AUTHORIZED INVESTMENT AGREEMENT PROVIDERS  
CITY OF TALLAHASSEE, FLORIDA  
GENERAL OPERATING PORTFOLIO

All primary dealers.

All financial institutions with long term debt ratings of at least AA or short term debt ratings of at least AAA.

Exceptions to the above, on a case by case basis, are:

CITY OF TALLAHASSEE, FLORIDA  
300 South Adams Street  
City Hall  
Tallahassee, Florida 32301

**PSA**

## MASTER REPURCHASE AGREEMENT

Between:

Dated as of \_\_\_\_\_

City of Tallahassee, Florida  
and  
\_\_\_\_\_

### 1. Applicability

From time to time the parties hereto may enter into transactions in which one party ("Seller") agrees to transfer to the other ("Buyer") securities or financial instruments ("Securities") against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Securities at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a "Transaction" and shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto, unless otherwise agreed in writing.

### 2. Definitions

(a) "Act of Insolvency", with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law, or such party seeking the appointment of a receiver, trustee, custodian or similar official for such party or any substantial part of its property, or (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days, (iii) the making by a party of a general assignment for the benefit of creditors, or (iv) the admission in writing by a party of such party's inability to pay such party's debts as they become due;

(b) "Additional Purchased Securities", Securities provided by Seller to Buyer pursuant to Paragraph 4(a) hereof;

(c) "Buyer's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Seller's Margin Amount under subparagraph (q) of this Paragraph), agreed to by Buyer and Seller prior to entering into the Transaction, to the Repurchase Price for such Transaction as of such date;

(d) "Confirmation", the meaning specified in Paragraph 3(b) hereof;

(e) "Income", with respect to any Security at any time, any principal thereof then payable and all interest, dividends or other distributions thereon;

(f) "Margin Deficit", the meaning specified in Paragraph 4(a) hereof;

(g) "Margin Excess", the meaning specified in Paragraph 4(b) hereof;

(h) "Market Value", with respect to any Securities as of any date, the price for such Securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued income to the extent not included therein (other than any income credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) as of such date (unless contrary to market practice for such Securities);

(i) "Price Differential", with respect to any Transaction hereunder as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction on a 360 day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction);



(j) "Pricing Rate", the per annum percentage rate for determination of the Price Differential;  
(k) "Prime Rate", the prime rate of U.S. money center commercial banks as published in *The Wall Street Journal*;

(l) "Purchase Date", the date on which Purchased Securities are transferred by Seller to Buyer;  
(m) "Purchase Price", (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to Paragraph 4(b) hereof and decreased by the amount of any cash transferred by Seller to Buyer pursuant to Paragraph 4(a) hereof or applied to reduce Seller's obligations under clause (ii) of Paragraph 5 hereof;

(n) "Purchased Securities", the Securities transferred by Seller to Buyer in a Transaction hereunder, and any Securities substituted therefor in accordance with Paragraph 9 hereof. The term "Purchased Securities" with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to Paragraph 4(a) and shall exclude Securities returned pursuant to Paragraph 4(b);

(o) "Repurchase Date", the date on which Seller is to repurchase the Purchased Securities from Buyer, including any date determined by application of the provisions of Paragraphs 3(c) or 11 hereof;

(p) "Repurchase Price", the price at which Purchased Securities are to be transferred from Buyer to Seller upon termination of a Transaction, which will be determined in each case (including Transactions terminable upon demand) as the sum of the Purchase Price and the Price Differential as of the date of such determination, increased by any amount determined by the application of the provisions of Paragraph 11 hereof;

(q) "Seller's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Buyer's Margin Amount under subparagraph (c) of this Paragraph), agreed to by Buyer and Seller prior to entering into the Transaction, to the Repurchase Price for such Transaction as of such date.

### 3. Initiation; Confirmation; Termination

(a) An agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the transfer of the Purchase Price to an account of Seller.

(b) Upon agreeing to enter into a Transaction hereunder, Buyer or Seller (or both), as shall be agreed, shall promptly deliver to the other party a written confirmation of each Transaction (a "Confirmation"). The Confirmation shall describe the Purchased Securities (including CUSIP number, if any), identify Buyer and Seller and set forth (i) the Purchase Date, (ii) the Purchase Price, (iii) the Repurchase Date, unless the Transaction is to be terminable on demand, (iv) the Pricing Rate or Repurchase Price applicable to the Transaction, and (v) any additional terms or conditions of the Transaction not inconsistent with this Agreement. The Confirmation, together with this Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, this Agreement shall prevail.

(c) In the case of Transactions terminable upon demand, such demand shall be made by Buyer or Seller, no later than such time as is customary in accordance with market practice, by telephone or otherwise on or prior to the business day on which such termination will be effective. On the date specified in such demand, or on the date fixed for termination in the case of Transactions having a fixed term, termination of the Transaction will be effected by transfer to Seller or its agent of the Purchased Securities and any income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) against the transfer of the Repurchase Price to an account of Buyer.

### 4. Margin Maintenance

(a) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than the aggregate Buyer's Margin Amount for all such Transactions (a "Margin Deficit"), then Buyer may by notice to Seller require Seller in such Transactions, at Seller's option, to transfer to Buyer cash or additional Securities reasonably acceptable to Buyer ("Additional Purchased Securities"), so that the cash and aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereupon equal or exceed such aggregate Buyer's Margin Amount (decreased by the amount of any Margin Deficit as of such date arising from any Transactions in which such Buyer is acting as Seller).

(b) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), then Seller may by notice to Buyer require Buyer in such Transactions, at Buyer's option, to transfer cash or Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any such cash or any Purchased Securities so transferred, will thereupon not exceed such aggregate Seller's Margin Amount (increased by the amount of any Margin Excess as of such date arising from any Transactions in which such Seller is acting as Buyer).

(c) Any cash transferred pursuant to this Paragraph shall be attributed to such Transactions as shall be agreed upon by Buyer and Seller.

(d) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under subparagraphs (a) and (b) of this Paragraph may be exercised only where a Margin Deficit or Margin Excess exceeds a specified dollar amount or a specified percentage of the Repurchase Prices for such Transactions (which amount or percentage shall be agreed to by Buyer and Seller prior to entering into any such Transactions).

Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller under subparagraphs (a) and (b) of this Paragraph to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess exists with respect to any single Transaction hereunder (calculated without regard to any other Transaction outstanding under this Agreement).

#### 5. Income Payments

Where a particular Transaction's term extends over an income payment date on the Securities subject to that Transaction, Buyer shall, as the parties may agree with respect to such Transaction (or, in the absence of any agreement, as Buyer shall reasonably determine in its discretion), on the date such income is payable either (i) transfer to or credit to the account of Seller an amount equal to such income payment or payments with respect to any Purchased Securities subject to such Transaction or (ii) apply the income payment or payments to reduce the amount to be transferred to Buyer by Seller upon termination of the Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit.

#### 6. Security Interest

Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all proceeds thereof.

#### 7. Payment and Transfer

Unless otherwise mutually agreed, all transfers of funds hereunder shall be in immediately available funds. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request, (ii) shall be transferred on the book-entry system of a Federal Reserve Bank, or (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer. As used herein with respect to Securities, "transfer" is intended to have the same meaning as when used in Section 8-313 of the New York Uniform Commercial Code or, where applicable, in any federal regulation governing transfers of the Securities.

#### 8. Segregation of Purchased Securities

To the extent required by applicable law, all Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to this Agreement. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial intermediary or a clearing corporation. Title to all Purchased Securities shall pass to Buyer and, unless otherwise agreed by Buyer and Seller, nothing in this Agreement shall preclude Buyer from engaging in repurchase transactions with the Purchased Securities or otherwise pledging or hypothecating the Purchased Securities, but no such transaction shall relieve Buyer of its obligations to transfer Purchased Securities to Seller pursuant to Paragraphs 3, 4 or 11 hereof, or of Buyer's obligation to credit or pay income to, or apply income to the obligations of, Seller pursuant to Paragraph 5 hereof.

#### Required Disclosure for Transactions in Which the Seller Retains Custody of the Purchased Securities

Seller is not permitted to substitute other securities for those subject to this Agreement and therefore must keep Buyer's securities segregated at all times, unless in this Agreement Buyer grants Seller the right to substitute other securities. If Buyer grants the right to substitute, this means that Buyer's securities will likely be commingled with Seller's own securities during the trading day. Buyer is advised that, during any trading day that Buyer's securities are commingled with Seller's securities, they [will]\* [may]\*\* be subject to liens granted by Seller to [its clearing bank]\* [third parties]\*\* and may be used by Seller for deliveries on other securities transactions. Whenever the securities are commingled, Seller's ability to resegment substitute securities for Buyer will be subject to Seller's ability to satisfy [the clearing]\* [any]\*\* lien or to obtain substitute securities.

\*Language to be used under 17 C.F.R. §403.4(e) if Seller is a government securities broker or dealer other than a financial institution.  
\*\*Language to be used under 17 C.F.R. §403.5(d) if Seller is a financial institution.



## 9. Substitution

(a) Seller may, subject to agreement with and acceptance by Buyer, substitute other Securities for any Purchased Securities. Such substitution shall be made by transfer to Buyer of such other Securities and transfer to Seller of such Purchased Securities. After substitution, the substituted Securities shall be deemed to be Purchased Securities.

(b) In Transactions in which the Seller retains custody of Purchased Securities, the parties expressly agree that Buyer shall be deemed, for purposes of subparagraph (a) of this Paragraph, to have agreed to and accepted in this Agreement substitution by Seller of other Securities for Purchased Securities; *provided, however*, that such other Securities shall have a Market Value at least equal to the Market Value of the Purchased Securities for which they are substituted.

## 10. Representations

Each of Buyer and Seller represents and warrants to the other that (i) it is duly authorized to execute and deliver this Agreement, to enter into the Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Transactions as principal (or, if agreed in writing in advance of any Transaction by the other party hereto, as agent for a disclosed principal), (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal), (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect and (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller shall each be deemed to repeat all the foregoing representations made by it.

## 11. Events of Default

In the event that (i) Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date, (ii) Seller or Buyer fails, after one business day's notice, to comply with Paragraph 4 hereof, (iii) Buyer fails to comply with Paragraph 5 hereof, (iv) an Act of Insolvency occurs with respect to Seller or Buyer, (v) any representation made by Seller or Buyer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or (vi) Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each an "Event of Default"):

(a) At the option of the nondefaulting party, exercised by written notice to the defaulting party (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Act of Insolvency), the Repurchase Date for each Transaction hereunder shall be deemed immediately to occur.

(b) In all Transactions in which the defaulting party is acting as Seller, if the nondefaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, (i) the defaulting party's obligations hereunder to repurchase all Purchased Securities in such Transactions shall thereupon become immediately due and payable, (ii) to the extent permitted by applicable law, the Repurchase Price with respect to each such Transaction shall be increased by the aggregate amount obtained by daily application of (x) the greater of the Pricing Rate for such Transaction or the Prime Rate to (y) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to subparagraph (a) of this Paragraph (decreased as of any day by (A) any amounts retained by the nondefaulting party with respect to such Repurchase Price pursuant to clause (iii) of this subparagraph, (B) any proceeds from the sale of Purchased Securities pursuant to subparagraph (d)(i) of this Paragraph, and (C) any amounts credited to the account of the defaulting party pursuant to subparagraph (e) of this Paragraph) on a 360 day per year basis for the actual number of days during the period from and including the date of the Event of Default giving rise to such option to but excluding the date of payment of the Repurchase Price as so increased, (iii) all income paid after such exercise or deemed exercise shall be retained by the nondefaulting party and applied to the aggregate unpaid Repurchase Prices owed by the defaulting party, and (iv) the defaulting party shall immediately deliver to the nondefaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession.

(c) In all Transactions in which the defaulting party is acting as Buyer, upon tender by the nondefaulting party of payment of the aggregate Repurchase Prices for all such Transactions, the defaulting party's right, title and interest in all Purchased Securities subject to such Transactions shall be deemed transferred to the nondefaulting party, and the defaulting party shall deliver all such Purchased Securities to the nondefaulting party.

(d) After one business day's notice to the defaulting party (which notice need not be given if an Act of Insolvency shall have occurred, and which may be the notice given under subparagraph (a) of this Paragraph or the notice referred to in clause (iii) of the first sentence of this Paragraph), the nondefaulting party may:

(i) as to Transactions in which the defaulting party is acting as Seller, (A) immediately sell, in a recognized market at such price or prices as the nondefaulting party may reasonably deem satisfactory, any or all Purchased Securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder

or (B) in its sole discretion elect in lieu of selling all or a portion of such Purchased Securities to give the defaulting party credit for such Purchased Securities in an amount equal to the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source, against the aggregate unpaid Repurchase Prices and any other amounts owing to the defaulting party hereunder, and

(iii) as to Transactions in which the defaulting party is acting as Buyer, (A) purchase securities ("Replacement Securities") of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the nondefaulting party as required hereunder or (B) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source.

(e) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the nondefaulting party (i) with respect to Purchased Securities (other than Additional Purchased Securities), for any excess of the price paid (or deemed paid) by the nondefaulting party for Replacement Securities therefor over the Repurchase Price for such Purchased Securities and (ii) with respect to Additional Purchased Securities, for the price paid (or deemed paid) by the nondefaulting party for the Replacement Securities therefor. In addition, the defaulting party shall be liable to the nondefaulting party for interest on such remaining liability with respect to each such purchase (or deemed purchase) of Replacement Securities from the date of such purchase (or deemed purchase) until paid in full by Buyer. Such interest shall be at a rate equal to the greater of the Pricing Rate for such Transaction or the Prime Rate.

(f) For purposes of this Paragraph 11, the Repurchase Price for each Transaction hereunder in respect of which the defaulting party is acting as Buyer shall not increase above the amount of such Repurchase Price for such Transaction determined as of the date of the exercise or deemed exercise by the nondefaulting party of its option under subparagraph (a) of this Paragraph.

(g) The defaulting party shall be liable to the nondefaulting party for the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a consequence of an Event of Default, together with interest thereon at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the Prime Rate.

(h) The nondefaulting party shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.

#### 12. Single Agreement

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of a Transactions hereunder, (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transaction hereunder and (iii) that payments, deliveries and other transfers made by either of them in respect of an Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfer in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

#### 13. Notices and Other Communications

Unless another address is specified in writing by the respective party to whom any notice or other communication is to be given hereunder, all such notices or communications shall be in writing or confirmed in writing and delivered at the respective addresses set forth in Annex II attached hereto.

#### 14. Entire Agreement; Severability

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

#### 15. Non-assignability; Termination

The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by either party without the prior written consent of the other party. Subject to the foregoing, the Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement may be cancelled by either party upon giving written notice to the other, except that this Agreement shall, notwithstanding such notice, remain applicable to all Transactions then outstanding.



16. **Governing Law**

This Agreement shall be governed by the laws of the State of New York without giving effect to the conflict of law principles thereof.

17. **No Waivers, Etc.**

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to subparagraphs 4(a) or 4(b) hereof will not constitute a waiver of any right to do so at a later date.

18. **Use of Employee Plan Assets**

(a) If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 ("ERISA") are intended to be used by either party hereto (the "Plan Party") in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.

(b) Subject to the last sentence of subparagraph (a) of this Paragraph, any such Transaction shall proceed only if Seller furnishes or has furnished to Buyer its most recent available audited statement of its financial condition and its most recent subsequent unaudited statement of its financial condition.

(c) By entering into a Transaction pursuant to this Paragraph, Seller shall be deemed (i) to represent to Buyer that since the date of Seller's latest such financial statements, there has been no material adverse change in Seller's financial condition which Seller has not disclosed to Buyer, and (ii) to agree to provide Buyer with future audited and unaudited statements of its financial condition as they are issued, so long as it is a Seller in any outstanding Transaction involving a Plan Party.

19. **Intent**

(a) The parties recognize that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended.

(b) It is understood that either party's right to liquidate Securities delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Paragraph 11 hereof, is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.

20. **Disclosure Relating to Certain Federal Protections**

The parties acknowledge that they have been advised that:

(a) in the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission ("SEC") under Section 15 of the Securities Exchange Act of 1934 ("1934 Act"), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 ("SIPA") do not protect the other party with respect to any Transaction hereunder;

(b) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and

(c) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

21. **Conflict**

In the event of a conflict between this "Master Repurchase Agreement" and "Annex I" or "Annex II", the Annex shall prevail over the inconsistent portion of the "Master Repurchase Agreement".

[Name of Party]

[Name of Party]

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

## ANNEX I

### SUPPLEMENTAL TERMS AND CONDITIONS

#### 1. GOVERNING LAW

The laws of the State of New York govern all transactions pursuant to this agreement. The parties acknowledge that all Purchased Securities shall be lawful for the purpose of governmental investment by the buyer.

Because buyer is a governmental entity and is prohibited by applicable law from making loans, the parties hereby (i) agree that all transactions conducted pursuant to this agreement must be interpreted as purchases and sales of securities and (ii) expressly reconfirm the provisions of Paragraph 6 of the Agreement.

#### 2. PERMISSIBLE PURCHASED SECURITIES

Only securities approved for purchase in accordance with the City of Tallahassee's Investment Policy adopted in accordance with Section 51 of the City Charter may be Purchased Securities pursuant to this agreement. Such securities include:

- 1) U. S. Treasury bills, notes and bonds
- 2) FNMA, Student Loan Association, and Federal Home Loan Mortgage Association debentures and discount notes.
- 3) GNMA obligations

Unless the parties shall agree to the use of a third-party custodian responsible for margin maintenance, all Purchased Securities should be marketable instruments for which price information is regularly available in The Wall Street Journal, through the BLOOMBERG System, or in other media suitable to the Buyer.

#### 3. DELIVERY

Notwithstanding the provisions of Paragraph 7 of the Agreement (Payment and Transfer), all transactions shall be accomplished through "delivery versus payment," unless the parties otherwise agree, in writing, prior to the transfer of funds.

#### 4. SUBSTITUTION

In the event that Seller proposed to substitute securities for any Purchased Securities, Seller shall absorb all costs associated with such transfer. Buyer must be provided written "same day" notice of substitution, and any substitute securities



must comply with all provisions of this agreement, especially as they relate to Permissible Purchased Securities and margin requirements.

#### 5. MARGIN RATIOS

Unless otherwise agreed upon by the parties to the transaction, for the purposes of calculating the margin amount, the following ratios shall be applied daily to the market value of Purchased Securities, depending on their maturity.

Maturity of Purchased -----	U.S. Treasury Securities -----	U.S. Agency Securities -----	Mortgage-Backed or Others -----
Under 1 year	101%	101%	102%
1 - 5 years	102%	102%	103%
Over 5 years	103%	103%	105%

#### 6. MARGIN MAINTENANCE

For term repurchase agreements, a custodian or the Seller shall maintain the required margin amount, or the required margin amount shall be increased as mutually agreed upon in writing, by both parties to the Agreement, to compensate for possible market price losses or gains. If the dealer does not mark daily, the margin ratios shall be increased.

## ANNEX II

### Names and Addresses for Communications Between Parties



ATTACHMENT "C"  
AUTHORIZED BANKER'S ACCEPTANCE PROVIDERS  
CITY OF TALLAHASSEE, FLORIDA  
GENERAL OPERATING PORTFOLIO

EXCEPTIONS:

Financial Institutions meeting the debt rating criteria but with whose paper the City will not purchase:

ADDITIONS:

Financial Institutions not meeting the debt rating criteria whose paper the City can purchase:

## TRUST FUND AGREEMENT

TRUST AGREEMENT, the Agreement is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 1990, by and between The City of Tallahassee, a Florida municipal corporation, herein referred to as the "Grantor," and the Sinking Fund Commission, the "Trustee."

WHEREAS, the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 50. These regulations, applicable to the Grantor, require that a holder of, or an applicant for a license issued pursuant to 10 CFR Part 50 provide assurance that funds will be available when needed for required decommissioning activities; and,

WHEREAS, the Grantor has elected to use a trust fund to provide all of such financial assurance for the facilities identified herein and also provide such additional decommissioning funds not required by the NRC as the Grantor may elect; and,

WHEREAS, the Grantor, acting through its duly authorized official, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the NRC licensee who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the trustee who enters into this Agreement and any successor Trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the facility identified in License Number \_\_\_\_\_ issued pursuant to 10 CFR Part 50.

Section 3. Establishment of Fund. The Grantor and Trustee hereby establish a trust fund (the Fund) for the benefit of the Grantor. The Grantor and the Trustee intend that no third party shall have access to the Fund except as provided herein.

Section 4. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash, securities, or other liquid assets acceptable to the Trustee. The Fund is established initially as consisting of property acceptable to the Trustee.



Such property and any other property subsequently transferred to the Trustee are referred to as the "Fund," together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor or to a decommissioning contractor of the Grantor as the Grantor may designate upon presentation to the Trustee the following:

- a. A certificate duly executed by the Mayor of the Grantor attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate (see certificate following standby trust), and
- b. A certificate attesting to the following conditions:
  - (1) that decommissioning is proceeding pursuant to an NRC-approved plan, and
  - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that Plan.

In the event of the Grantor's default or inability to direct decommissioning activities, the Trustee shall: (1) make payments from the Fund as the NRC or State agency shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement; (2) make disbursements to the Grantor or other persons as specified by the NRC, or State agency, from the Fund for expenditures for required activities in such amounts as the NRC, or State agency, shall direct in writing; and (3) refund to the Grantor such amounts remaining after the license has been terminated or as the NRC or State Agency specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the Fund in the best interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80A-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government; and
- (b) The Fund will be fully invested at all times.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80A-1 et seq.), including one that may be created, managed, underwritten, or to which investment advice is rendered, or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary for prudent management of the Fund;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name, or in the name of a nominee, and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, to reinvest interest and dividends payments and funds from matured and redeemed instruments, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee or such depository with other securities deposited therein by another person, or to deposit or arrange for the



deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal reserve bank, but the books and records of the Trustee shall at all time show that all such securities are part of the Fund.

- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee; and
- (e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund may be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee may be paid from the Fund.

Section 10. Annual Valuation. After payment has been made into this trust fund, the Trustee shall annually furnish to the Grantor a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value within a reasonable time of such statement. The failure of the Grantor to object in writing to the Trustee within 10 days after the statement has been furnished to the Grantor shall constitute a conclusively binding assent by the Grantor, barring the grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 12. Successor Trustee. Upon 30 days notice to the Grantor, the Trustee may resign; upon 30 days notice to the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has either appointed a successor Trustee and this successor accepts the appointment or implements another financial assurance mechanism specified in Title 10, Chapter I, Code of Federal Regulations, Section 50.75(e). The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then

constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor and the present Trustee by certified mail 15 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 9.

Section 13. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this agreement, such other designees as the Grantor may designate in writing, or by the City Treasurer-Clerk (on behalf of the Grantor). The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. If the NRC or State agency issues orders, requests, or instructions to the Trustee in the event of Grantor default, these shall be in writing, signed by the NRC, State agency or their designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor, the NRC, or State agency, hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or the NRC, or State agency, except as provided for herein.

Section 14. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and, if applicable, the NRC or State agency, or by the Trustee and the NRC or state agency if the Grantor ceases to exist.

Section 15. Termination. This trust agreement shall continue until terminated at the written agreement of the Grantor, the Trustee and, if applicable, the NRC or State agency, or by the Trustee and the NRC or State agency, if the grantor ceases to exist. Upon termination of the trust, all remaining, trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor, or transferred to another financial assurance mechanism specified in 10 CFR 50.75(e), as appropriate.

Section 16. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor, the NRC, or State agency, issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or



from the trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 17. This Agreement shall be administered, construed, and enforced according to the laws of the State of Florida.

Section 18. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

CITY OF TALLAHASSEE

By: \_\_\_\_\_  
Steve Meisburg  
Mayor

ATTEST:

\_\_\_\_\_  
Robert B. Inzer  
Treasurer-Clerk

\_\_\_\_\_  
Witness

SINKING FUND COMMISSION

\_\_\_\_\_  
Witness

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

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and all moneys belonging to the city as pursuant  
to policy adopted by the city commission unless  
otherwise provided in this Charter.

(Ord. No. 82-0-1957, § 8, 1-26-82; Ord. No. 83-0-2130,  
§ 1, 6-28-83)

## Sec. 52. Collections.

The city treasurer and clerk shall receive and  
collect all moneys belonging to the city, including  
taxes, license moneys, fines and income from all  
other sources and he shall collect all special as-  
sessments as provided for under this Charter.

(Ord. No. 82-0-1957, § 9, 1-26-82)

§ 53. Reserved.

See the editor's footnote to the subheading "City  
Clerk."

§ 54. Reserved.

Sections 56-64, relative to the department  
of finance were repealed by § 10 of Ord. No. 82-0-1957, adopted  
Jan. 24, 1982. The repealed provisions derived from Ord. No.  
81-0-1000, § 1, adopted Nov. 24, 1981 and the following Spe-  
cial Act:

Year	Chapter	Section
1919	8374	56-64
1931	15518	1
1939	20157	1
1955	31292	2
1961	61-2906	1

## SINKING FUND COMMISSION

### Sec. 55. Creation; composition; election of members; meetings; duties.

There is hereby created the sinking fund com-  
mission of the City of Tallahassee, the members  
of which shall constitute the trustees of the sink-  
ing fund of said city, which said commission shall  
be composed of the members of the city commis-  
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thy citizens and residents of said city who shall  
be elected by the city commission. The three mem-  
bers elected by the city commission shall hold  
office for a term of three years, except that the  
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Plan of funds;  
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Alcoholic Beverages  
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the provisions hereof shall be elected for the following terms, one of said members shall be elected for a term of three years from June 1, 1937; and one of said members for a term of two years from said date; and one for a term of one year from said date, and that after the first election hereunder the city commission shall elect a member of said board annually at the first meeting of the city commission succeeding the regular municipal elections of said city and to fill any vacancies as they may occur.

That said sinking fund commission shall assume all the powers and duties herein provided as soon as they shall have been elected and qualified. That the removal from said city of any such member of said sinking fund commission shall vacate his office. The mayor-commissioner of the city shall be the chairman of said sinking fund commission and the said commission shall have the power to fix the date, time and place of all regular meetings of said commission, and to provide for the call of special meetings. That said sinking fund commission shall manage and control the sinking funds created and accumulated for the retirement and payment of the principal and interest of all bond issues heretofore or hereafter issued by said city. That it shall be the duty of said sinking fund commission to invest said sinking funds to the best advantage of said city, provided, however, that said funds shall be invested only as is now provided by the Charter Act of said city and pursuant to the vote of seven eighths of the members of said sinking fund commission. The said commission shall so invest said funds as to provide for sufficient cash moneys to be on hand to promptly meet all payments of interest or principal of any of the bonds of said City when the same may be due.

(Ch. 8374, § 65, Special Acts 1919; Ch. 18924, § 1, Special Acts 1937; Ch. 26249, § 3, Special Acts 1949)

**Sec. 65.1. Investment of funds of various pension, annuity and retirement systems; city's authority to borrow from said systems.**

Subject to the limitations of having sufficient cash moneys on hand to promptly meet all pay-

ments required under any pension, annuity, or retirement system administered by the city or commission of the City of Tallahassee as trustees, the sinking fund commission of the City of Tallahassee shall have the right and authority, as an additional source of revenue, to invest in any revenue certificates of the City of Tallahassee, and the City of Tallahassee shall have the right to borrow money from any such pension, annuity, and retirement sinking fund for any lawful municipal purpose and issue revenue certificates of indebtedness, and pledge as security for the payment thereof any revenue source of the City of Tallahassee therefor.

(Special Acts 1967, Ch. 67-2103, § 1)

**Editor's note**—Section 65.1 is derived from Ch. 67-2103, § 1, Special Acts 1967, which became a law without the governor's approval, being filed in the office of the secretary of state August 4, 1967. Said act was codified in the discretion of the editors.

## ADVISORY BOARDS

**Sec. 66. Reserved.**

**Editor's note**—Section 66, relative to advisory boards, was repealed by Ord. No. 83-0-2141AA, § 1, adopted May 24, 1983. Such section was derived from Ch. 8374, § 66, Special Acts 1919.

## FINANCES AND TAXATION

**Sec. 67. Reserved.**

**Editor's note**—Section 67, relative to the fiscal year, was repealed by Ord. No. 83-0-2141AA, § 1, adopted May 24, 1983. Such section was derived from Ch. 8374, § 67, Special Acts 1919; Ch. 67-2102, Special Acts 1967.

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RESOLUTION NO. 90-R-0030

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF TALLAHASSEE ESTABLISHING A TRUST FUND FOR THE CITY'S SHARE OF DECOMMISSIONING COSTS FOR CRYSTAL RIVER UNIT NO. 3.

WHEREAS, the City of Tallahassee is a participant in, and is considered a licensee with regard to, a nuclear-powered electric generating facility known as Crystal River Unit No. 3; and,

WHEREAS, administrative rules promulgated by the Nuclear Regulatory Commission require licensees of nuclear power reactors to provide for payment of decommissioning costs and to file reports certifying the particular method which they are utilizing to provide financial assurance that their share of such costs will be paid when decommissioning occurs; and,

WHEREAS, the City has determined that it shall provide such assurance by creation of an external sinking fund in the form of a trust, to be administered by the Sinking Fund Commission as trustee; and,

FURTHER WHEREAS, in the establishment of such trust, it is the City's intent to create a fund which shall not be accessible to any party other than those specifically named in the document creating such trust;

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

1. That the Mayor is hereby authorized to execute, on behalf of the City of Tallahassee, the Trust Fund Agreement, a copy of which is attached as Exhibit "A" hereto, establishing a



trust fund for the City's share of decommissioning costs for Crystal River Unit No. 3, as that share may be established by participation agreements to which the City is a party.

2. That the Sinking Fund Commission established pursuant to Sections 65 and 65.1, Charter Laws of the City of Tallahassee, is hereby appointed as trustee of that certain Trust Fund Agreement established as financial assurance for payment of the City of Tallahassee's share of anticipated decommissioning costs for Crystal River Unit No. 3.

3. That, in performance of its duties as trustee, the Sinking Fund Commission shall take action only pursuant to the affirmative vote of seven of the eight members of the said Commission and shall be guided in investment policy by the investment policy guidelines promulgated, from time to time, by the City, pursuant to and consistent with the provisions of Section 166.261, Florida Statutes, and Chapter 51, City of Tallahassee Charter, the most current copy of which is attached hereto as Exhibit "B."

PASSED AND ADOPTED by the City Commission of the City of Tallahassee this 11 day of July, A.D., 1990.

STEVE MEISBURG, Mayor

ATTEST:

ROBERT B. INZER  
City Treasurer-Clerk