

page two
Mr. Whitfield Palmer, Jr.
July 19, 1960

Answer: (1) As a separate entity at any time it is feasible (Florida law)

(2) By refunding the bonds on Projects 1 and 2 on call date, which is 1970, or five years earlier by placing in escrow the proceeds of the bond sale equivalent to the amount necessary to purchase the outstanding bonds. (This is legal under the Florida law.)

(3) At any time the annual average net earnings available for debt service on Project 2 (Orlando extension) during the preceding two years plus,

The annual average net earnings available for debt service on Project 2 during the preceding two years from Project 1, plus

The annual average additional estimated earnings available for debt service for the succeeding five years on Projects 1, 2 and 3,

Shall not be less than 1.50 x level debt service.

[Note: This is an open end indenture, and of course under Option 3 these would be parity bonds. See chart attached.]

Whit, this pari-passu business means "parity - entitled to receive out of same fund without any precedence over each other", and the third option describes the sources of the revenues which may be used in estimated coverage required to extend an open end bond issue of this type (pari-passu).

page three
Mr. Whitfield Palmer, Jr.
July 19, 1960

Also has a Trust Agreement under which we are now operating, and should you desire to check you will find that before a turnpike project other than the one already validated from Ft. Pierce to Jacksonville can be built as an extension to any turnpike in operation, similar procedures and sources of revenue are described.

It was certainly good to be with you, and I am very grateful to you for your help in getting this Turnpike extended. I hope that we can get together this weekend in Arcadia. By the way, don't forget to call me about it.

With best wishes, I am

Sincerely



Thomas B. Manuel

TBM:kb
encl.

P.S.

Will also have a copy of contract w/ bond
See him + go over entire details w/ him so as
to refresh your memory and his, too

P.P.S.

You are a damned fine bin player and a
splendid traveling companion

TBM