

RESOLUTION NO. 200975

A RESOLUTION OF THE CITY OF GAINESVILLE, FLORIDA AUTHORIZING: A LOAN IN A PRINCIPAL AMOUNT OF UP TO \$12,000,000 TO REFINANCE CERTAIN OUTSTANDING LOANS AND TO PAY THE COSTS OF SUCH LOAN; APPROVING THE FORM OF A CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE, SERIES 2021, AND A LOAN AGREEMENT; PROVIDING OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA (the "Issuer") that:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to the Charter of the Issuer, Chapter 166, Florida Statutes, Article VIII, Section 2, Constitution of the State of Florida, and other applicable provisions of law (collectively, the "Act").

Section 2. Definitions. Words and phrases used herein in capitalized form and not otherwise defined herein (including, without limitation, in the preamble hereto) shall have the meanings ascribed thereto in the hereinafter defined Loan Agreement, as applicable and, in addition, the following words and phrases shall have the following meanings:

"Authorized Signatories" means any one or more of the Mayor, the Mayor-Commissioner Pro Tempore, the City Manager or the Finance Director of the Issuer.

"Lender" means STI Institutional & Government, Inc.

"Loan Agreement" means the Loan Agreement between the Issuer and the Lender.

"2021 Loan Amount" means not to exceed \$12,000,000.

"2021 Note" means the Issuer's Capital Improvement Revenue Note, Series 2021 in substantially the form attached as Exhibit "B" to the Loan Agreement.

Section 3. Authorization of Transactions. In order to obtain funds (i) to refinance the Issuer's outstanding Capital Improvement Revenue Bonds, Series 2010 (the "2010 Bonds") and Capital Improvement Revenue Note, Series 2017 (together with the 2010 Bonds, the "Refunded Loans"), and (ii) to pay the costs of issuance thereof, the Issuer is authorized to obtain a loan (the "Loan"), and to borrow an amount up to the 2021 Loan Amount from the Lender, the Lender having been selected through a request for proposals process.

Because of prevailing and anticipated market conditions and the nature of the Loan, and taking into account the advice of PFM Financial Advisors LLC, the Issuer's financial advisor, it is not feasible, cost effective or advantageous to enter into the Loan through a competitive sale and it is in the best interest of the Issuer to accept the terms of the Loan from the Lender in a principal amount of up to the 2021 Loan Amount, at a negotiated sale upon the terms and conditions outlined herein and in the Loan Agreement and as determined by the Authorized Signatories executing the Loan Agreement in accordance with the terms hereof.

Prior to its execution and delivery of the Loan Agreement, the Issuer shall have received from the Lender a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and a Truth-in-Bonding Statement pursuant to Section 218.385(2) and (3), Florida Statutes, and no further disclosure is or shall be required by the Issuer.

Section 4. Loan Agreement and Revenue Note. The Issuer is authorized to execute a Loan Agreement with the Lender in substantially the form attached as Exhibit "A" and to make and deliver to the Lender the 2021 Note in substantially the form attached to the Loan Agreement.

The forms and terms of the Loan Agreement and 2021 Note (the "Loan Documents") attached hereto are hereby approved, and the Authorized Signatories are authorized on behalf of the Issuer to execute and deliver the same, with such changes, insertions, omissions and filling of blanks as may be approved by the Authorized Signatories executing the same, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatories signing the same. The Authorized Signatories are hereby delegated the authority to execute the 2021 Note in a principal amount not exceeding the 2021 Loan Amount. The Clerk of the Commission or any Deputy Clerk of the Commission or any Acting Clerk of the Commission may authenticate or attest the signatures of the Authorized Signatories on the Loan Documents.

Section 5. Creation of Funds and Accounts. There is hereby created and established the "City of Gainesville Capital Improvement Debt Service Account – Series 2021" (the "Debt Service Account").

Section 6. Loan Agreement and Revenue Note Not to be General Obligations or Indebtedness of the Issuer. The Loan Agreement and the 2021 Note and the obligations of the Issuer thereunder shall not be deemed to constitute general obligations or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of (i) the Non-Ad Valorem Revenues (as defined in the Loan Agreement) actually budgeted and appropriated and deposited into the Debt Service Account for the 2021 Note, to pay debt service payments and all other amounts due and payable on or under the Loan Agreement

and the 2021 Note and (ii) all funds on deposit in the Debt Service Account (including any investment securities on deposit therein) and all investment earnings on any such funds (the "Pledged Funds"), in the manner and to the extent herein and in the Loan Agreement provided.

No holder or owner of the 2021 Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the Issuer which generate user service charges, regulatory fees or other non-ad valorem revenues, nor shall any holder or owner of the 2021 Note be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Funds with respect to the Loan, all in the manner and to the extent herein and in the Loan Agreement. The Loan Agreement and the 2021 Note and the indebtedness evidenced thereby shall not constitute a lien upon any real or personal property of the Issuer, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement.

Funds deposited into the Debt Service Account, until applied to the payment of debt service on the 2021 Note, may be invested in investments authorized by law and meeting the Issuer's written investment policy, which investments shall mature no later than the date on which moneys therein shall be needed to pay such debt service.

Section 7. Pledge. The payment of the principal of, premium, if any, and interest under the 2021 Note and other payments due under the Loan Agreement shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement. The Issuer does hereby irrevocably pledge such Pledged Funds to the payment of the principal of, premium, if any, and interest on the 2021 Note and other payments due under the Loan Agreement.

Section 8. Application of Proceeds. The proceeds of the Loan shall be, together with other legally available funds of the Issuer, as applicable, (i) Applied to redeem the Refunded Loans on the earliest date practical, and (ii) applied to pay the costs of issuance of the Loan. Upon the redemption of the 2010 Bonds any unspent proceeds of the 2010 Bonds shall be removed from the Project Fund created for the 2010 Bonds pursuant to Resolution No. 091033 adopted by the Issuer on June 3, 2010 and shall be applied to finance the costs of renovations of GRACE Marketplace (formerly referenced as the One-stop Homeless Shelter) and Vision Zero Improvements for costs of constructing and engineering improvements in the city's sidewalks and roadways, or such other capital projects included in the capital improvement plan of the City, as evidenced in a certificate of any of the Authorized Signatories.

Section 9. Separate Accounts; Trust Funds. The moneys required to be accounted for in the Debt Service Account may be deposited in a single bank or other account, and funds allocated to such accounts may be invested, together with other funds of the Issuer, in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of moneys on deposit therein and such investments for the various purposes of such account. The designation and establishment of the Debt Service Account shall not be construed to require the establishment of any completely independent, self-balancing fund or account, but rather is intended solely to constitute an earmarking of certain moneys or revenues for certain purposes.

The Debt Service Account created hereunder and any accounts created therein constitute trust funds for the purposes herein and in any subsequent resolution provided. The Issuer may at any time and from time to time deposit moneys from any one or more of the funds and accounts established hereby with a depository permitted under applicable law. Any such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agents and employees.

Section 10. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

Section 11. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

Section 12. Authorizations. The Authorized Signatories are hereby authorized to execute and deliver on behalf of the Issuer the Loan Documents as provided hereby. All officials and employees of the Issuer, including, without limitation, the Authorized Signatories, are authorized and empowered, collectively or individually, to take all other actions and steps and to execute all instruments, documents, and contracts on behalf of the Issuer as they shall deem necessary or desirable in connection with the completion of the Loan and the carrying out of the intention of this Resolution.

Section 13. Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 14. Effective Date. This Resolution shall take effect immediately upon its adoption.

Passed and duly adopted in public session of the City Commission of the City of Gainesville, Florida on the 1st day of April, 2021.

CITY COMMISSION OF THE CITY
OF GAINESVILLE, FLORIDA

By: _____
Mayor

ATTESTED:

By: _____
City Clerk

APPROVED AS TO FORM AND
LEGALITY:

By: _____
City Attorney

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**EXHIBIT "A" TO RESOLUTION
FORM OF LOAN AGREEMENT
(WITH ATTACHED FORM OF NOTE)**

LOAN AGREEMENT

This LOAN AGREEMENT (the "Agreement") is made and entered into April 9, 2021 and is by and between the CITY OF GAINESVILLE, FLORIDA, a municipal corporation created and existing under the laws of the State of Florida (the "Issuer"), and STI INSTITUTIONAL & GOVERNMENT, INC., and its successors and assigns, as holder(s) of the hereinafter defined Note (the "Lender").

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

ARTICLE I DEFINITION OF TERMS

Section 1.01 Definitions. The words and terms used in capitalized form in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings:

"Act" means the Charter of the Issuer, Chapter 166, Florida Statutes, Article VIII, Section 2, Constitution of the State of Florida, and other applicable provisions of law.

"Agreement" means this Loan Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Annual Budget" means the budget or budgets, as amended and supplemented from time to time, prepared by the Issuer for each Fiscal Year in accordance with the laws of the State of Florida.

"Bond Counsel" means any attorney at law or firm of attorneys retained by the Issuer, of nationally recognized experience in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions.

"Bond Year" means the annual period beginning on the first day of October of each year and ending on the last day of the following September, with the first Bond Year ending on September 30, 2021; provided, however, principal and interest on Debt maturing or becoming subject to redemption on October 1 of any year shall be deemed to mature or become subject to redemption on the last day of the preceding Bond Year.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Lender is lawfully closed.

"City Manager" means the City Manager of the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended, and applicable corresponding provisions of any future laws of the United States of America relating to federal

income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court rulings.

"Commission" or "City Commission" means the City Commission of the Issuer.

"Costs" means, with respect to the issuance of the Note, any lawful expenditure of the Issuer which meets the further requirements of this Agreement.

"Debt" means as of any date and without duplication, all of the following to the extent that they are payable in whole or in part from any Non-Ad Valorem Revenues: (i) all obligations of the Issuer for borrowed money or evidenced by bonds, debentures, notes or other similar instruments; (ii) all obligations of the Issuer to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (iii) all obligations of the Issuer as lessee under financing leases; and (iv) all indebtedness of other Persons to the extent guaranteed by, or secured by Non-Ad Valorem Revenues of, the Issuer.

"Debt Service Account" means the City of Gainesville Capital Improvement Debt Service Account – Series 2021 established by the Resolution from which the Issuer shall make payments of the principal of, interest on and any redemption or prepayment premiums with respect to the Loan under the Note.

"Default Rate" means the lesser of (i) 18% per annum and (ii) the maximum lawful rate.

"Event of Default" means an Event of Default specified in Article VI of this Agreement.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other period of twelve consecutive months as may hereafter be designated as the fiscal year of the Issuer by general law.

"Loan" means the loan by the Lender to the Issuer contemplated hereby.

"Loan Amount" means \$ _____.

"Loan Documents" means this Agreement and the Note.

"Non-Ad Valorem Revenues" means all legally available non-ad valorem revenues of the Issuer derived from any source whatsoever, other than ad valorem taxation on real and personal property, including, without limitation, investment income, which are legally available for the payment by the Issuer of debt service on the Note or Non-Self Supporting Revenue Debt, including, without limitation, legally available non-ad valorem revenues derived from sources subject to a prior pledge thereof for the payment of other obligations of the Issuer and available after payment of principal and interest on such other obligations, after provision has been made by the Issuer for the payment of services and programs which are for essential governmental services of the Issuer or which are legally mandated by applicable law; notwithstanding the

foregoing, "Non-Ad Valorem Revenues" shall not include revenues derived from the Issuer's electric system, natural gas system, water system, wastewater system, telecommunications system and stormwater management utility system, or any other enterprise fund of the Issuer, except to the extent that revenues derived from such sources have been deposited into the Issuer's General Fund.

"Non-Self Supporting Revenue Debt" means obligations evidencing indebtedness for borrowed money, including the Note, (i) the primary security for which is provided by a covenant of the Issuer to budget and appropriate Non-Ad Valorem Revenues of the Issuer for the payment of debt service on such obligations, or (ii) primarily secured or payable from another source of funds, but with respect to which the Issuer has also covenanted to budget and appropriate Non-Ad Valorem Revenues of the Issuer for the payment of debt service on such obligations, provided that obligations described in this clause (ii) shall only be considered Non-Self Supporting Revenue Debt to the extent the Issuer has included in its budget (by amendment or otherwise) the payment from such Non-Ad Valorem Revenues pursuant to such covenant to pay debt service on such obligations. "Non-Self Supporting Revenue Debt" shall expressly not include indebtedness payable from the revenues of a utility system, or any other enterprise fund of the Issuer, which are pledged to the payment of such indebtedness.

"Note" means the Issuer's Capital Improvement Revenue Refunding Note, Series 2021 in the form attached hereto as Exhibit "A."

"Notice Address" means,

As to the Issuer: Office of City Manager
200 E. University Avenue
Gainesville, Florida 32601
Attn: Lee R. Feldman, City Manager
Email address: citymanager@cityofgainesville.org

with copy to: Office of the City Attorney
200 E. University Avenue, Suite 425
Gainesville, Florida 32601
Attn: Nicolle Shalley, City Attorney
Email address: shalleynm@cityofgainesville.org

and copy to City Auditor: Office of City Auditor
200 E. University Avenue, Suite 211
Gainesville, Florida 32601
Attn: Virginia Bigbie, City Auditor
Email address: bigbiev1@cityofgainesville.org

As to the Lender: STI Institutional & Government, Inc.
50 North Laura Street, Suite 3200
Jacksonville, Florida 32202
Attn: Lisa C. Hayes
Email address: lisa.hayes@suntrust.com

or to such other address as either party may have specified in writing to the other using the procedures specified in Section 7.06.

"Person" means an individual, corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or other judicial entity.

"Pledged Funds" means (i) the Non-Ad Valorem Revenues budgeted and appropriated and deposited into the Debt Service Account to pay debt service on the Note or other amounts payable thereunder or under this Agreement and (ii) all funds on deposit in the Debt Service Account (including all investment securities on deposit therein) and all investment earnings on any such funds.

"Principal Office" means, with respect to the Lender, the office located at 50 North Laura Street, Suite 3200, Jacksonville, Florida 32202, or such other office as the Lender may designate to the Issuer in writing.

"Refunded Loans" means, collectively, the Refunded Series 2010 Bonds and the Refunded Series 2017 Note.

"Refunded Series 2010 Bonds" means the Issuer's outstanding Capital Improvement Revenue Bonds, Series 2010.

"Refunded Series 2017 Note" means the Issuer's outstanding Capital Improvement Revenue Note, Series 2017.

"Resolution" means Resolution No. _____ adopted by the City Commission of the Issuer on April 1, 2021.

"State" means the State of Florida.

"Total Non-Ad Valorem Revenues" means all legally available non-ad valorem revenues of the Issuer derived from any source whatsoever, other than ad valorem taxation on real and personal property. "Total Non-Ad Valorem Revenues" shall not include revenues derived from the Issuer's electric system, natural gas system, water system, wastewater system, telecommunications system and stormwater management utility system, or any other enterprise fund of the Issuer, except to the extent that revenues derived from such sources have been deposited into the Issuer's General Fund.

Section 1.02 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II REPRESENTATIONS OF ISSUER

The Issuer represents and warrants to the Lender, which representations and warranties shall be deemed made on the date hereof, that:

Section 2.01 Powers of Issuer. The Issuer is a municipal corporation, duly organized and validly existing under the laws of the State. The Issuer has the power under the Act to borrow the Loan Amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure this Agreement and the Note in the manner contemplated hereby and to perform and observe all the terms and conditions of the Loan Documents on its part to be performed and observed. The Issuer may lawfully borrow funds hereunder in order to refund the Refunded Loans and pay the costs of issuance of the Loan.

Section 2.02 Authorization of Loan. The Issuer had, has, or will have on the date of the Note and at all relevant times, full legal right, power and authority to execute and deliver the Loan Documents, to make the Note, and to carry out and consummate all other transactions contemplated hereby, and the Issuer has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The Issuer has duly authorized the borrowing of the Loan Amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Note to the Lender, and to that end the Issuer warrants that it will, subject to the terms hereof and of the Note, take all action and do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Note. The Note has been duly authorized, executed, issued and delivered to the Lender and constitutes the legal, valid and binding obligation of the Issuer enforceable in accordance with the terms thereof and the terms hereof, and is entitled to the benefits and security of this Agreement, subject to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights, heretofore or hereinafter enacted, to the extent constitutionally applicable, and provided that its enforcement may also be subject to equitable principles that may affect remedies or other equitable relief, or to the exercise of judicial discretion in appropriate cases. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Note or the execution and delivery of or the performance by the Issuer of its obligations under this Agreement and the Note have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect. NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE HEREIN OR IN THE NOTE TO THE CONTRARY, NEITHER THIS AGREEMENT NOR THE NOTE SHALL CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, BUT SHALL BE PAYABLE FROM AND SECURED SOLELY BY THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE RESOLUTION. No holder or owner of the Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for

any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the Issuer which generate user service charges, regulatory fees or other non-ad valorem revenues, nor shall any holder or owner of the Note be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Funds, all in the manner and to the extent herein and in the Resolution provided.

Section 2.03 No Violation of Law or Contract. The Issuer is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound, the breach of which could result in a material and adverse impact on the financial condition of the Issuer or the ability of the Issuer to perform its obligations hereunder and under the Note. The making and performing by the Issuer of this Agreement and the Note will not violate any applicable provision of law, and will not result in a material breach of any of the terms of any agreement or instrument to which the Issuer is a party or by which the Issuer is bound, the breach of which could result in a material and adverse impact on the financial condition of the Issuer or the ability of the Issuer to perform its obligations hereunder and under the Note.

Section 2.04 Resolution. The Resolution has been duly adopted by the Issuer, is in full force and effect and has not been amended, altered, repealed or revoked in any way.

Section 2.05 Pending or Threatened Litigation. Except as has been disclosed to the Lender in writing (directly or through its counsel), there are no actions or proceedings pending against the Issuer or affecting the Issuer or, to the knowledge of the Issuer, threatened, which questions the validity of this Agreement or the Note or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby or which, in the aggregate if determined adversely to the Issuer would have a material adverse effect on the financial position of the Issuer or its ability to timely perform its obligations hereunder and under the Note.

Section 2.06 Financial Information. The financial information regarding the Issuer furnished to the Lender by the Issuer in connection with the Loan is complete and accurate as of its date, and there has been no material and adverse change in the financial condition of the Issuer from that presented in such information.

ARTICLE III COVENANTS OF THE ISSUER

Section 3.01 Affirmative Covenants. For so long as any of the principal amount of or interest or any redemption or prepayment premium on the Note is outstanding or any duty or obligation of the Issuer hereunder or under the Note remains unpaid or unperformed, the Issuer covenants to the Lender as follows:

(a) Payment. The Issuer shall pay the principal of and the interest or any redemption or prepayment premium on the Note and any other amounts payable thereunder or hereunder at the time and place and in the manner provided herein and in the Note.

(b) Use of Proceeds. Proceeds from the Note will be used only to refund the Refunded Loans and pay costs of issuance of the Note, except as otherwise expressly provided hereby.

(c) Maintenance of Existence. The Issuer will take all reasonable legal action within its control in order to maintain its existence until all amounts due and owing from the Issuer to the Lender under this Agreement and the Note have been paid in full.

(d) Records. The Issuer agrees that any and all records of the Issuer with respect to the Loan and the Non-Ad Valorem Revenues shall be open to inspection by the Lender or its representatives at all reasonable times and after receipt by the Issuer of reasonable notice from the Lender at the offices the Issuer.

(e) Financial Statements, Budget and Compliance Certificate. The Issuer will cause an audit to be completed of its books and accounts and shall make available electronically to the Lender audited year-end financial statements of the Issuer, including a balance sheet as of the end of such Fiscal Year and related statements of revenues, expenses and changes in net assets, certified by an independent certified public accountant to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the Issuer and the results of its operations and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. The Issuer shall make available electronically to the Lender the audited financial statements for each Fiscal Year ending on or after September 30, 2021, within 270 days after the end thereof and shall make available electronically to the Lender an annual budget within 30 days after the same shall have been approved by the City Commission of the Issuer. The Issuer shall also provide to the Lender upon request such additional financial information to supplement or verify certain financial assumptions or the creditworthiness of the Issuer.

(f) Insurance. The Issuer shall maintain such liability, casualty and other insurance as, or shall self-insure in a manner as, is reasonable and prudent for similarly situated governmental entities of the State of Florida.

Section 3.02 Negative Covenants. For so long as any of the principal amount of or interest on the Note is outstanding or any duty or obligation of the Issuer hereunder or under the Note remains unpaid or unperformed, the Issuer covenants to the Lender as follows:

(a) Except with respect to Non-Self Supporting Revenue Debt issued to refund existing Non-Self Supporting Revenue Debt where the aggregate debt service of the refunding Non-Self Supporting Revenue Debt will not be greater than that for the Non-Self Supporting Revenue Debt being refunded, the Issuer may incur additional Non-Self Supporting Revenue Debt only if,

(i) after the issuance thereof, the maximum annual debt service in any Bond Year (net of any subsidies or reimbursements related to interest) resulting from the total outstanding Non-Self Supporting Revenue Debt of the Issuer, including such additional Non-Self Supporting Revenue Debt, does not exceed fifty percent (50%) of total Non-Ad Valorem Revenues received in the preceding Fiscal Year; and

(ii) the Non-Ad Valorem Revenues of the Issuer for the preceding Fiscal Year were at least 2.00 times average annual debt service (net of any subsidies or reimbursements related to interest) in all future Bond Years on all outstanding Non-Self

Supporting Revenue Debt and the Non-Self Supporting Revenue Debt proposed to be issued.

(b) For purposes of calculating the foregoing, if any Debt bears a rate of interest that is not fixed for the entire term of the Debt (excluding any provisions that adjust the interest rate upon a change in tax law or in the tax treatment of interest on the debt or upon a default), then the interest rate on such Debt shall be assumed to be the highest of (x) the average rate of actual interest borne by such Debt during the most recent complete month prior to the date of calculation, (y) for tax-exempt Debt, The Bond Buyer Revenue Bond Index last published in the month preceding the date of calculation plus one percent, or (z) for taxable Debt, the yield on a U.S. Treasury obligation with a maturity closest to but not before the maturity date of such Debt, as reported in Statistical Release H.15 of the Federal Reserve on the last day of the month preceding the date of issuance of such proposed Debt, plus three percent; provided that if the Issuer shall have entered into an interest rate swap or interest rate cap or shall have taken any other action which has the effect of fixing or capping the interest rate on such Debt for the entire term thereof, then such fixed or capped rate shall be used as the applicable rate for the period of such swap or cap; and provided further that if The Bond Buyer Revenue Bond Index or Statistical Release H.15 of the Federal Reserve is no longer available or no longer contains the necessary data, such other comparable source of comparable data as selected by Issuer and reasonably acceptable to the Lender shall be utilized in the foregoing calculations. For the purpose of calculating the foregoing, "Balloon Indebtedness" (as defined in the immediately succeeding sentence) shall be assumed to amortize over 20 years in substantially equal annual payments at its fixed interest rate and, if the interest rate is not fixed, at the rate calculated pursuant to the immediately preceding sentence. "Balloon Indebtedness" is any Debt, twenty-five percent (25%) or more of the principal amount of which comes due in any single Fiscal Year. If Debt is subject to purchase by the Issuer pursuant to a mandatory or optional tender by the holders thereof, the "tender" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of all calculations hereunder and/ or, if applicable, the assumptions for "balloon indebtedness" shall be utilized. Debt for which sinking fund installments have been established, the amount of principal coming due on the final maturity date with respect to such Debt shall be reduced by the aggregate principal amount that is to be redeemed or paid from sinking fund installments to be made in prior Bond Years. Debt service is to be net of amounts to be paid or expected to be paid from a direct subsidy payment from the United States Treasury (or such other similar entity of the Federal government) relating to such Debt or any other subsidy or similar payments made by the Federal government.

Section 3.03 Registration and Exchange of Note. The Note shall initially be owned by the Lender. The ownership of the Note may only be transferred, and the Issuer will transfer the ownership of the Note or the registration books maintained by the Issuer, in whole upon written request of the Lender to the Issuer specifying the name, address and taxpayer identification number of the transferee, and the Issuer will keep and maintain at all times a record setting forth the identification of the owner of the Note. The Note can only be transferred to an "accredited investor", as defined in Rule 501(A)(1),(2) or (3) under Regulation D of the Securities Act of 1933, as amended, or a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended.

The Person in whose name the Note shall be registered shall be deemed and regarded the absolute owner thereof for all purposes, and payment of principal and interest on such Note shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 3.04 Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Note, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Lender furnishing the Issuer proof of ownership thereof, an affidavit of lost or stolen instrument and indemnity reasonably satisfactory to the Issuer and paying such expenses as the Issuer may reasonably incur in connection therewith.

Section 3.05 Payment of Principal and Interest; Limited Obligation. The Issuer promises that it will promptly pay the principal of and interest on and any prepayment or redemption premium or fee on the Note, at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and of the Note; provided that the Issuer may be compelled to pay the principal of and interest on and any prepayment premium or fee with respect to the Note solely from the Pledged Funds, and nothing in the Note, this Loan Agreement or the Resolution shall be construed as pledging any other funds or assets of the Issuer to such payment or as authorizing such payment to be made from any other source. The Issuer is not and shall not be liable for the payment of the principal of and interest on the Note and any prepayment premium or fee with respect to or for the performance of any pledge, obligation or agreement for payment undertaken by the Issuer hereunder, under the Note or under the Resolution from any property other than the Pledged Funds. The Lender shall not have any right to resort to legal or equitable action to require or compel the Issuer to make any payment required by the Note or this Loan Agreement from any source other than the Pledged Funds.

Section 3.06 Covenant to Budget and Appropriate. The Issuer hereby covenants and agrees, to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its Annual Budget for each Fiscal Year, by amendment if necessary, and to deposit to the credit of the Debt Service Account in a timely manner as needed to pay debt service on the Note and any other amounts payable under the Note or hereunder, Non-Ad Valorem Revenues of the Issuer in an amount which is equal to the debt service with respect to the Note and any other amounts payable under the Note or hereunder for the applicable Fiscal Year. Such covenant and agreement on the part of the Issuer to budget and appropriate sufficient amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until such Non-Ad Valorem Revenues in amounts sufficient to make all required payments hereunder and under the Note as and when due, including any delinquent payments, shall have been budgeted, appropriated and actually paid into the Debt Service Account; provided, however, that such covenant shall not constitute a lien, either legal or equitable, on any of the Issuer's Non-Ad Valorem Revenues or other revenues, nor shall it preclude the Issuer from pledging in the future any of its Non-Ad Valorem Revenues or other revenues to other obligations so long as the granting of such pledge does not have the effect of impairing the obligation of or breaching a covenant of the Issuer under this Agreement and the Note by making unavailable sufficient Non-Ad Valorem Revenues required to timely make payments of principal

and interest on the Note and any other payments required hereunder, nor shall it give the holder or owner of the Note a prior claim on the Non-Ad Valorem Revenues. Anything herein to the contrary notwithstanding, all obligations of the Issuer hereunder shall be secured only by the Non-Ad Valorem Revenues actually budgeted and appropriated and deposited into the Debt Service Account, as provided for herein. The Issuer is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. The obligation of the Issuer to budget, appropriate and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after satisfying funding requirements for obligations having an express lien on or pledge of such revenues and after satisfying funding requirements for essential governmental services of the Issuer and subject in all respects to the restrictions of Section 166.241(2), Florida Statutes, which generally provides that the governing body of each city may only make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources. Notwithstanding the foregoing or anything herein to the contrary, the Issuer has not covenanted to maintain any service or program now provided or maintained by the Issuer which generates Non-Ad Valorem Revenues.

Section 3.07 Pledge. The payment of the principal of, premium, if any, and interest on the Note, and all other amounts payable under this Agreement and the Note, shall be secured by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein, in the Note and in the Resolution. The Issuer does hereby pledge such Pledged Funds to the principal of, premium, if any, and interest on the Note and for all other payments provided for herein and in the Note.

Section 3.08 Debt Service Account. The Issuer shall apply all moneys on deposit in the Debt Service Account to the timely payment of the principal of, premium, if any, and interest on the Note. Funds held in the Debt Service Account may be invested in investments authorized by law and meeting the Issuer's written investment policy, which investments shall mature no later than the date on which moneys will be needed for the purposes of such accounts.

Section 3.09 Officers and Employees of the Issuer Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Loan Agreement or the Note or for any claim based hereon or thereon or otherwise in respect thereof, shall be had against any officer, agent or employee, as such, of the Issuer, past, present or future, it being expressly understood (a) that the obligation of the Issuer under this Agreement and under the Note is solely a corporate one, limited as provided herein, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the officers, agents, or employees, as such, of the Issuer, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such officer, agent, or employee, as such, of the Issuer under or by reason of the obligations, covenants or agreements contained in this Agreement and under the Note, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the Note on the part of the Issuer.

Section 3.10 Business Days. In any case where the due date of interest on or principal of the Note is not a Business Day, then payment of such principal or interest need not be made

on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of payment.

Section 3.11 Tax Representations, Warranties and Covenants of the Issuer. It is the intention of the Issuer that the interest on the Note be and remain excluded from gross income of the holders and owners of the Note for federal income tax purposes. The Issuer hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Note to be and remain excluded from the gross income of the registered owner and holder thereof for federal income tax purposes to the extent set forth in the Code, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The Issuer acknowledges that the continued exclusion of interest on the Note from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The Issuer hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The Issuer hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Note or other funds of the Issuer to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Note to be an arbitrage bond for purposes of Sections 103(b)(2) and 148 of the Code. The Issuer further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Section 103(b)(2) and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

- (1) to make or cause to be made all necessary determinations and calculations of the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Note, plus any income attributable to such excess, but not including any amount exempted under Section 148(f) of the Code (the "Rebate Amount");
- (2) to pay the Rebate Amount to the United States of America from legally available funds of the Issuer at the times and to the extent required pursuant to Section 148(f) of the Code;
- (3) to maintain and retain all records pertaining to the Rebate Amount and required payments of the Rebate Amount for at least six years after the final maturity of the Note or such other period as shall be necessary to comply with the Code;
- (4) to refrain from taking any action that would cause the Note to be classified as "private activity bond" under Section 141(a) of the Code; and

(5) to refrain from taking any action that would cause the Note to become an arbitrage bond under Section 148 of the Code.

The terms "debt service," "gross proceeds," "net proceeds," "proceeds," and "yield" have the meanings assigned to them for purposes of Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Subpart A of Chapter 1 of the Code so long as such requirements are applicable.

Section 3.12 Separate Accounts. The moneys required to be accounted for the foregoing funds established herein may be deposited in a single bank account, and funds allocable to any fund or account established herein may be invested in a common investment pool; provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of any funds or accounts and by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

ARTICLE IV CONDITIONS OF LENDING

The obligations of the Lender to lend hereunder are subject to the following conditions precedent:

Section 4.01 No Default. On the date hereof, the Issuer shall be in compliance with all the terms and provisions set forth in this Agreement and the Note on its part to be observed or performed, and no Event of Default or any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

Section 4.02 Supporting Documents. On or prior to the date hereof, the Lender shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Lender (such satisfaction to be evidenced by the purchase of the Note by the Lender):

(a) The opinion of the attorney for the Issuer and/or bond counsel to the Issuer, regarding the due authorization, execution, delivery, validity and enforceability of the Resolution, this Agreement and the Note, and such other items as the Lender shall reasonably request;

(b) The opinion of Bond Counsel to the Issuer to the effect that the interest on the Note is excludable from gross income for federal income tax purposes; and

(c) Such additional supporting documents as the Lender may reasonably request.

ARTICLE V FUNDING THE LOAN

Section 5.01 The Loan. The Lender hereby agrees to lend to the Issuer the Loan Amount to provide funds for the purposes described herein upon the terms and conditions set forth in this Agreement. The Issuer agrees to repay the principal amount borrowed plus interest thereon upon the terms and conditions set forth in this Agreement and the Note.

Section 5.02 Description and Payment Terms of the Note. To evidence the obligation of the Issuer to repay the Loan, the Issuer shall make and deliver to the Lender the Note in the form attached hereto as Exhibit "A." Prepayment of principal may be made only as provided in the Note and the rate of interest on the Note, including any adjustments thereto, shall be as provided in the Note.

ARTICLE VI EVENTS OF DEFAULT

Section 6.01 General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) The Issuer shall fail to make any payment of the principal of, premium, if any, or interest on the Loan when the same shall become due and payable; or

(b) The Issuer shall default in the performance of or compliance with any term or covenant contained in this Agreement or the Note, other than a term or covenant a default in the performance of which or noncompliance with which is elsewhere specifically dealt with in this Section 6.01, which default or non-compliance shall continue and not be cured within thirty (30) days after written notice thereof to the Issuer by the Lender; or

(c) The Issuer admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(d) The Issuer is adjudged insolvent by a court of competent jurisdiction, or it is adjudged bankrupt on a petition in bankruptcy filed by the Issuer, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver or trustee of the Issuer or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or

(e) The Issuer shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State.

Notwithstanding the provisions of clause (b) above or anything to the contrary in Section 6.02 below, a default of any of the covenants contained in Section 3.11 hereof shall not be an "Event of Default" hereunder and the sole remedy of the Lender shall be an adjustment of the

interest rate on the Note to the Taxable Rate (as defined in the Note) to the extent and in the manner described in the Note.

Section 6.02 Effect of Event of Default. Upon the occurrence of any Event of Default, the Lender may seek enforcement of and exercise all remedies available to it under any applicable law. All payments made on the Note, after an Event of Default, shall be first applied to accrued interest then to any reasonable costs or expenses, including reasonable legal fees and expenses, that the Lender may have incurred in protecting or exercising its rights under the Loan Documents and the balance thereof shall apply to the principal sum due. Upon an Event of Default, the interest rate on the Note shall be adjusted to the Default Rate as provided in the Note. Upon the occurrence of an Event of Default, the Issuer shall pay all costs of collections and enforcement incurred by the Lender, including without limitation, of all reasonable attorneys' fees and expenses, including any fees and expenses in connection with any appeal or bankruptcy proceedings. Except as provided in the following sentence, the remedy of acceleration shall not be available as a remedy hereunder. Notwithstanding the foregoing, if any other loan or bond secured by or payable from a covenant to budget and appropriate Non-Ad Valorem Revenues is accelerated upon the occurrence of an event of default the Lender shall have the same right to accelerate the amounts payable hereunder as if such acceleration right was provided herein.

ARTICLE VII MISCELLANEOUS

Section 7.01 No Waiver; Cumulative Remedies. No failure or delay on the part of the Lender in exercising any right, power, remedy hereunder or under the Note shall operate as a waiver of the Lender's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 7.02 Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except in writing signed by the Lender and the Issuer. The Issuer agrees to pay all of the Lender's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the Issuer's request or behest.

Section 7.03 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 7.04 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 7.05 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the Issuer in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Note is outstanding.

Section 7.06 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to the Notice Address.

Section 7.07 Applicable Law; Venue. This Agreement shall be construed pursuant to and governed by the substantive laws of the State. The Issuer and the Lender waive any objection either might otherwise have to venue in any judicial proceeding brought in connection herewith lying in the Alachua County, Florida.

Section 7.08 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The Issuer shall have no rights to assign any of its rights or obligations hereunder without the prior written consent of the Lender.

Section 7.09 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no Person not a party hereto shall have any rights or privileges hereunder.

Section 7.10 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Note embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 7.11 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.

Section 7.12 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTE AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

Section 7.13 No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other documents related hereto), the Issuer acknowledges and agrees, that: (a) (i) it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and any other loan documents, (iii) the Lender is not acting as a municipal advisor or financial advisor to the Issuer and (iv) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the Issuer with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Issuer on other matters); (b) (i) the Lender is and has been acting solely as a principal in an arm's length commercial lending transaction and has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Issuer, or any other person and (ii) the Lender has no obligation to the Issuer, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other loan documents; (c) notwithstanding anything herein to the contrary, it is the intention of the Issuer and the Lender that the loan documents represent a commercial loan transaction not involving the issuance and sale of a municipal security, and that any bond, note or other debt instrument that may be delivered to the Lender is delivered solely to evidence the repayment obligations of the Issuer under the loan document; and (d) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and the Lender has no obligation to disclose any of such interests to the Issuer. To the fullest extent permitted by law, the Issuer hereby waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby. If the Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to the Issuer, the Issuer is free to engage a municipal advisor to serve in that capacity. The transactions contemplated herein and the Note are delivered, pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transactions contemplated hereunder.

Section 7.14 Patriot Act Notice. The Lender hereby notifies the Issuer that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001), the Lender may be required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Lender to identify the Issuer in accordance with the Act.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

CITY OF GAINESVILLE, FLORIDA

ATTEST:

By: _____
City Manager

By: _____
City Clerk

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

STI INSTITUTIONAL & GOVERNMENT,
INC.

By: _____
Name: Lisa C. Hayes
Title: Authorized Agent

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EXHIBIT "A"
FORM OF NOTE

CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE, SERIES 2021

The CITY OF GAINESVILLE, FLORIDA (the "City"), a municipal corporation duly created and existing under the laws of the State of Florida, for value received, promises to pay, but solely from the sources hereinafter provided, to the order of STI Institutional & Government, Inc., or registered assigns (together with any other registered owner of this Note, hereinafter, the "Lender"), the principal sum of _____ Dollars (\$_____) or such lesser amount as shall be outstanding hereunder, together with interest on the principal balance outstanding at the Interest Rate (defined below), calculated based upon a year of 360 days consisting of twelve 30-day months, such amounts to be payable as provided herein. This Note is issued pursuant to Resolution No. _____ adopted by the City on April 1, 2021 (the "Resolution") and in conjunction with a Loan Agreement dated April 9, 2021, between the City and the Lender (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or referenced, in the Loan Agreement.

Principal of and interest on this Capital Improvement Revenue Refunding Note, Series 2021 (the "Note") are payable in immediately available funds constituting lawful money of the United States of America by such electronic method of payment reasonably acceptable to the City and the Lender.

The City shall pay the Lender interest on the outstanding principal balance of this Note in arrears, on October 1, 2021, and on the 1st day of each April and October thereafter, to and including the Final Maturity Date (hereinafter defined). The principal amount of this Note shall be payable in annual installments in the amounts set forth on Schedule A hereto, payable on October 1 of each year, commencing October 1, 2021, with the final installment payable October 1, 2037 (the "Final Maturity Date"). If any date for the payment of principal or interest is not a Business Day, such payment shall be due on the next succeeding Business Day.

All payments by the City pursuant to this Note shall apply first to accrued interest, then to other charges due the Lender, and the balance thereof shall apply to the principal sum due.

The "Interest Rate," as used herein, shall mean 1.75% per annum unless adjusted as provided herein.

Upon the occurrence and during the continuance of an Event of Default under the Loan Agreement, the Interest Rate shall be increased to the Default Rate.

Upon the occurrence of an Event of Taxability (as defined below) and for as long as this Note remains outstanding, the Interest Rate on this Note shall be converted to the Taxable Rate (as defined below) and this adjustment shall survive payment on this Note until such time as the federal statute of limitations under which the interest on the this Note could be declared taxable under the Code shall have expired. In addition, upon an Event of Taxability, the City shall, immediately upon demand, pay to the Lender (or prior holders, if applicable) (i) an additional

amount equal to the difference between (A) the amount of interest actually paid on this Note during the Taxable Period (as defined below) and (B) the amount of interest that would have been paid during the Taxable Period had this Note borne interest at the Taxable Rate, and (ii) an amount equal to any interest, penalties and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Lender as a result of the Event of Taxability.

"Event of Taxability" means the occurrence after the date hereof of a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of the Note is or was includable in the gross income of the holder for Federal income tax purposes as a result of the action or inaction of the City; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the City has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity at the City's own expense to contest the same, either directly or in the name of any holder, and until the conclusion of any appellate review, if sought. An Event of Taxability does not include and is not triggered by a change in law by Congress that causes the interest to be includable under Lender's gross income. For all purposes of this definition, the effective date of any Event of Taxability will be the first date as of which interest is deemed includable in the gross income of the registered owner of the Note.

"Taxable Period" shall mean the period of time between (a) the date that interest on this Note is first deemed to be includable in the gross income of the owner thereof for federal income tax purposes as a result of an Event of Taxability, and (b) the date of the Event of Taxability and after which this Note bears interest at the Taxable Rate.

"Taxable Rate" shall mean the interest rate per annum that shall provide the Lender with the same after tax yield that the Lender would have otherwise received had the Event of Taxability not occurred, taking into account the increased taxable income of the Lender as a result of such Event of Taxability. The Lender shall provide the City with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the City.

Notwithstanding the foregoing, in no event shall the Interest Rate in any year exceed the maximum rate permitted by law.

The Lender shall promptly notify the City in writing of any adjustment to the Interest Rate. The Lender shall certify to the City in writing the additional amount, if any, due to the Lender as a result of an adjustment in the Interest Rate pursuant hereto and shall provide to the City a written calculation of any change in the Interest Rate claimed hereunder.

This Note may be pre-paid in whole or in part on any Business Day subject to the terms hereof and upon at least two Business Days' prior written notice to the Lender specifying the amount of prepayment. The City shall, at the time of any prepayment, whether optional or at any other time this Note is paid earlier than its scheduled maturity, pay to the Lender the interest accrued to the date of prepayment on the principal amount being prepaid plus an additional fee or redemption premium equal to the present value of the difference between (1) the amount that would have been realized by the Lender on the prepaid amount for the remaining term of the loan at the ICE Benchmark Administration ("IBA") rate for fixed-rate payers in U.S. Dollar

interest rate swaps for a term corresponding to the term of this Note, interpolated to the nearest month, if necessary, that was in effect three Business Days prior to the issuance date of this Note, and (2) the amount that would be realized by the Lender by reinvesting such prepaid funds for the remaining term of the loan at the IBA Index for rates for fixed-rate payers in U.S. Dollar interest rate swaps, interpolated to the nearest month, that was in effect three Business Days prior to the loan repayment date; both discounted at the same interest rate utilized in determining the applicable amount in (2). Should the present value have no value or a negative value, the City may prepay with no additional fee or redemption premium. Should the IBA no longer release rates for fixed-rate payers in U.S. Dollar interest rate swaps, the Lender may substitute the IBA Index for rates for fixed-payers in U.S. Dollar interest rate swaps with another similar index as determined by Truist Bank (or affiliate thereof). The Lender shall provide the City with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding. The application of such fee or prepayment premium is not intended to, and shall not be deemed to be, an increase in the Interest Rate. Any partial prepayment shall be applied as determined by the Lender in its sole discretion; provided, however, to the extent necessary to maintain the tax-exempt status of the loan, as determined by an opinion of Bond Counsel to the City, such prepayments shall be applied on a pro rata basis across all outstanding principal amounts.

The City to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is payable from and secured solely by Pledged Funds to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Funds as more specifically provided in the Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the City is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Loan Agreement and the Resolution.

NOTWITHSTANDING ANYTHING HEREIN OR IN THE LOAN AGREEMENT OR THE RESOLUTION TO THE CONTRARY, THIS NOTE AND THE INTEREST HEREON DOES NOT AND SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY BUT SHALL BE PAYABLE FROM AND SECURED SOLELY BY THE MONEYS AND SOURCES DESIGNATED THEREFOR PURSUANT TO THE LOAN AGREEMENT AND THE RESOLUTION. NEITHER THE FAITH AND CREDIT NOR ANY AD VALOREM TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENTAL HERETO.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and

manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is April 9, 2021.

CITY OF GAINESVILLE, FLORIDA

(SEAL)

By: _____
Name: Lee R. Feldman
Title: City Manager

ATTESTED AND COUNTERSIGNED:

By: _____
City Clerk

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

SCHEDULE A

<u>Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
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