

RESOLUTION NO. 22-102

A RESOLUTION OF THE CITY OF PANAMA CITY BEACH, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$12,535,000 UTILITY REVENUE REFUNDING BOND, SERIES 2022 TO FINANCE THE COST OF REFUNDING THE ISSUER'S OUTSTANDING UTILITY SYSTEM REVENUE BOND (FEDERALLY TAXABLE), SERIES 2020B AND PAYING THE COSTS OF ISSUANCE; PLEDGING THE PLEDGED REVENUES OF THE UTILITY SYSTEM OF THE ISSUER AND CERTAIN OTHER LEGALLY AVAILABLE FUNDS OF THE ISSUER FOR THE PAYMENT OF THE SERIES 2022 BOND; AWARDED THE SALE OF THE SERIES 2022 BOND TO TRUIST COMMERCIAL EQUITY, INC., APPROVING THE FORM OF THE SERIES 2022 BOND; AUTHORIZING OFFICIALS OF THE CITY TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2022 BOND; MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH, AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapter 166, Part II, Florida Statutes, and Resolution 98-6 adopted by the City Council March 4, 1998, as amended and supplemented, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms defined in this Section shall have the meanings specified in this Section. Words capitalized but not defined herein shall have the meanings set forth in the Original Resolution. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Bonds" shall mean (i) the Parity Bonds and the Series 2022 Bond, and (ii) any Additional Parity Obligations issued hereafter in accordance with the provisions hereof.

"Business Day" shall mean any day other than a Saturday, Sunday or day on which banking institutions within the State of Florida are authorized or required by law to remain closed.

"City Council" shall mean the City Council of the City of Panama City Beach, Florida, as the governing body of the Issuer.

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

"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 any Bond is or was includable in the gross income of the Purchaser for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Issuer has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity at the Issuer's own expense to contest the same, either directly or in the name of any Purchaser, 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 in the Purchaser'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 Bonds.

"Financial Advisor" shall mean PFM Financial Advisors LLC.

"Interest Rate" shall mean a per annum rate equal to 1.37%, prior to the occurrence of an Event of Taxability, and after an Event of Taxability shall mean the Taxable Rate. Notwithstanding the foregoing, however, after, and during the continuance of, an Event of Default, "Interest Rate" shall mean the Default Rate.

"Issuer" shall mean the City of Panama City Beach, Florida.

"Original Resolution" shall mean Resolution 98-6 adopted by the Issuer on March 4, 1998, as amended and supplemented, including without limitation as amended by Resolution 16-68.

"Parity Bonds" shall mean the Series 2020A Bond and the remaining outstanding Utility Revenue Refunding Bonds, Series 2012.

"Paying Agent" shall mean, initially, the City Clerk of the City of Panama City Beach, Florida, or such other person as shall be appointed by the Issuer as paying agent for the Series 2022 Bond.

"Purchase and Exchange Agreement" shall mean the Bond Purchase and Exchange Agreement, dated November 20, 2020, between the City and Truist Bank.

"Purchaser" shall mean Truist Commercial Equity, Inc. (TRUCE), and its successors and assigns, including any subsequent Holder of the Series 2022 Bond.

"Refunded Bond" means the remaining Outstanding Series 2020B Bond.

"Registrar" shall mean, initially, the City Clerk of the City of Panama City Beach, Florida, or such other person as shall be appointed by the Issuer as registrar for the Series 2022 Bond.

"Resolution" shall mean this Resolution.

"Series 2020A Bond" shall mean the \$19,875,000 City of Panama City Beach, Florida Utility Revenue Refunding Bond, Series 2020A.

"Series 2020B Bond" shall mean the \$12,565,000 City of Panama City Beach, Florida Utility Revenue Refunding Bond (Federally Taxable), Series 2020B.

“Series 2022 Bond” shall mean the \$12,535,000 City of Panama City Beach, Florida Utility Revenue Refunding Bond, Series 2022 authorized pursuant to this Resolution.

"Taxable Period" shall mean the period of time between (a) the date that interest on the Series 2022 Bond is 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 the Bond bears interest at the Taxable Rate.

"Taxable Rate" shall mean the interest rate per annum that shall provide the Purchaser with the same after tax yield that the Purchaser would have otherwise received had the Event of Taxability not occurred, taking into account the increased taxable income of the Purchaser as a result of such Event of Taxability. The Purchaser shall provide the Issuer 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 Issuer.

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

(A) The City has previously entered into the Exchange Agreement with Truist Bank providing for the tender of the Series 2020B Bond, at the option of the City, in exchange for the Series 2022 Bond, under the terms and conditions set forth in the Exchange Agreement.

(B) The City Council hereby determines, based on recommendations from its Financial Advisor and staff, that exercising its option to require the tender of the Series 2020B Bond in exchange for the Series 2022 Bond and issuing the Series 2022 Bond for that purpose, as herein authorized, is in the public interest and will serve a valid and proper public purpose.

(C) The Issuer has previously issued the Parity Bonds pursuant to the Original Resolution, and pledged the Pledged Revenues to the payment thereof.

(D) The Pledged Revenues are not now pledged or encumbered in any manner, except to the payment of the Parity Bonds. The Series 2022 Bond shall be payable from a lien on the Pledged Revenues equal and ratable to the lien on the Parity Bonds. However, the Water System Development Charges and the Sewer System Development Charges are pledged to the Issuer's certain non-interest bearing revenue certificates more specifically identified as: (a) Water and Sewer Revenue Certificate dated February 20, 2002, in the original principal amount of \$431,834; (b) Water Revenue Certificate dated July 10, 2003, in the original principal amount of \$71,550; (c) Sewer Revenue Certificate dated August 19, 2003 in the original principal amount of \$142,993; (d) Sewer Revenue Certificate dated August 12, 2004, in the original principal amount of \$203,385; (e) Water Revenue Certificate dated September 9, 2004, in the original principal amount of \$96,430; (f) Sewer Revenue Certificate dated March 9, 2006, in the original principal amount of \$100,000; (g) Sewer Revenue Certificate dated March 9, 2006, in the original principal amount of \$490,500; (h) Sewer Revenue Certificate dated March 9, 2006, in the original principal amount of \$670,414; (i) Water Revenue Certificate dated April 13, 2006, in the original principal amount of \$68,494; (j) Sewer Revenue Certificate dated April 13, 2006, in the original principal amount of \$239,795; (k) Sewer Revenue Certificate dated November 13, 2008, in the original principal amount of \$18,357.22; (l) Water Revenue Certificate dated April 6, 2009, in the original principal amount of \$212,496.36; (m) Water Revenue Certificate dated February 11, 2010, in the original principal amount of \$143,950; (n) Sewer Revenue Certificate dated August 8,

2013, in the original principal amount of \$12,432; (o) Sewer Revenue Certificate dated June 15, 2015 in the original principal amount of \$250,626.09; (p) Sewer Revenue Certificate dated March 12, 2020, in the original principal amount of \$15,355; (q) Sewer Revenue Certificate dated April, 9, 2020, in the original principal amount of \$39,661; (r) Sewer Revenue Certificate dated January 14, 2021, in the original principal amount of \$32,070; (s) Sewer Revenue Certificate dated January 28, 2021, in the original principal amount of \$19,585; (t) Sewer Revenue Certificate dated November 15, 2021, in the original principal amount of \$259,865.62; and (u) Sewer Revenue Certificate dated November 15, 2021, in the original principal amount of \$116,551.84; (collectively, the “Outstanding Obligations”); and the lien on the Water System Development Charges and the Sewer System Development Charges on the Outstanding Obligations is junior and subordinate to the lien on the Bonds.

(E) The estimated Pledged Revenues will be sufficient to pay all of the principal of and interest on the Series 2022 Bond and the Parity Bonds, as the same shall become due, and to make all required deposits or payments required by this Resolution and the Original Resolution.

(F) The principal and interest on the Series 2022 Bond and all required reserve and other payments shall be payable solely from the Pledged Revenues, as provided in the Original Resolution and in this Resolution. The Issuer shall never be required to levy ad valorem taxes on any property therein to pay the principal of and interest on the Series 2022 Bond or to make any of the required reserve or other payments and the Series 2022 Bond shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer or upon any property other than the Pledged Revenues.

(G) Because of the characteristics of the security pledged to repay the loan evidenced by the Series 2022 Bond, prevailing conditions in the financial markets, and the requirements of the Exchange Agreement, it is in the best interest of the Issuer to accept the offer of the Purchaser to purchase the Series 2022 Bond at a private negotiated sale.

(H) Prior to the issuance of the Series 2022 Bond, the Issuer shall have received from the Purchaser a Letter, the form of which is attached hereto as Exhibit A to the Exchange Agreement and the Disclosure Letter containing the information required by section 218.385, Florida Statutes.

(I) The Series 2022 Bond shall constitute “Refunding Bonds” under the Original Resolution and all covenants, provisions and conditions contained in the Original Resolution relating to “Refunding Bonds” shall apply to the Series 2022 Bond, as applicable.

SECTION 4. THIS RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2022 Bond authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the legal Holder from time to time of the Series 2022 Bond.

SECTION 5. AUTHORIZATION OF REFUNDING. The refunding of the Refunded Bond is hereby authorized and approved.

SECTION 6. AUTHORIZATION OF SERIES 2022 BOND; SOURCE OF PAYMENT AND SECURITY. (A) Subject and pursuant to the provisions hereof, an obligation of the Issuer to

be known as the "Utility Revenue Refunding Bond, Series 2022" is authorized to be issued in the principal amount of not exceeding the outstanding principal amount of the Series 2020B Bond. The final maturity of the Series 2022 Bond shall not be later than final maturity of the Refunded Bond. The Series 2022 Bond shall bear interest at a fixed rate equal to 1.37% per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months, and shall be dated the day of delivery. Interest shall be payable semiannually commencing June 1, 2022, and on each June 1 and December 1 thereafter. Principal of the Series 2022 Bond will be payable annually, subject to prior redemption as permitted in this Resolution, commencing on June 1, 2022 and on each June 1 thereafter to the maturity date, as set forth on Schedule 1 attached to the Series 2022 Bond.

(B) No presentment shall be required for any payment of the Series 2022 Bond and, upon payment in full of all amounts due hereunder and under the Series 2022 Bond, at final maturity or upon redemption thereof, shall be marked cancelled by the Purchaser and promptly returned to the Issuer.

(C) Except as otherwise provided herein, upon the occurrence of an Event of Taxability and for as long as the Series 2022 Bond remains outstanding, the Interest Rate on the Series 2022 Bond shall be converted to the Taxable Rate and this adjustment shall survive payment of the Series 2022 Bond until such time as the federal statute of limitations under which the interest on the Series 2022 Bond could be declared taxable under the Code shall have expired. In addition, upon an Event of Taxability, the Issuer shall immediately upon demand pay to the Purchaser (or prior Holders, if applicable) (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Series 2022 Bond during the Taxable Period and (B) the amount of interest that would have been paid during the Taxable Period had the Series 2022 Bond 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 Purchaser as a result of the Event of Taxability.

(D) The Series 2022 Bond shall not be or constitute a general obligation or indebtedness of the Issuer as "bonds" within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues equal and ratable to the lien thereon of the Parity Bonds, as herein provided. The Holder of the Series 2022 Bond issued hereunder shall never have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any real or personal property therein, or to compel the Issuer to pay such principal and interest from any other funds of the Issuer.

The payment of principal of and interest on the Series 2022 Bond shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Revenues, equal and ratable to the lien thereon of the Parity Bonds and any Additional Parity Obligations, all in the manner and to the extent provided in the Original Resolution. The Original Resolution, as hereby supplemented, creates a valid and binding pledge on such Pledged Revenues to the payment of the principal of, redemption premium, if any, and interest on the Series 2022 Bond, for the reserves therefor and for all other payments required hereunder. Such amounts hereby pledged and assigned shall immediately be subject to the lien of this pledge without any further physical delivery thereof or any further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof. The Issuer has not heretofore made a pledge of or granted a lien on the Pledged Revenues which pledge or lien would be on parity with or would be senior to the lien securing the Series 2022 Bond and which

remains in existence, except for security interests for the benefit of the Holders of the Parity Bonds and any Additional Parity Obligations in accordance with the Original Resolution, as supplemented. The Issuer will not grant hereafter a lien upon or pledge of the Pledged Revenues superior to the Series 2022 Bond, or, except as expressly permitted by the terms of the Original Resolution with respect to Additional Parity Obligations, on a parity with, that of the Series 2022 Bond.

SECTION 7. FORM OF BOND. The Series 2022 Bond shall be in substantially the form attached as Exhibit F to the Exchange Agreement, with such variations, omissions and insertions as shall be necessary, desirable and authorized or permitted by this Resolution and the Original Resolution.

SECTION 8. PROVISIONS FOR REDEMPTION. The Series 2022 Bond may be pre-paid in whole or in part on any day subject to the terms hereof and upon at least two Business Days' prior written notice to the Purchaser specifying the amount of prepayment. The Issuer shall, at the time of any prepayment, whether optional or at any other time the Series 2022 Bond is paid earlier than its scheduled maturity, pay to the Purchaser 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 Purchaser 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 the Series 2022 Bond, interpolated to the nearest month, if necessary, that was in effect three Business Days prior to the issuance date of the Series 2022 Bond, and (2) the amount that would be realized by the Purchaser 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 Issuer 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 Purchaser 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 Purchaser shall provide the Issuer 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 Purchaser in its sole discretion.

SECTION 9. EXCHANGE OF BONDS. The Series 2022 Bond shall be issued solely in exchange for the Series 2020B Bond in accordance with the terms and conditions set forth in the Purchase and Exchange Agreement.

SECTION 10. COVENANTS OF THE ISSUER. For so long as any of the principal of and interest on any of the Series 2022 Bond shall be outstanding and unpaid or until the Issuer has made provision for payment of principal, interest and any other sums due hereunder, with respect to the Series 2022 Bond, the provisions of Section 20 of the Original Resolution shall apply to the Series 2022 Bond.

All terms, conditions, covenants and agreements of the Original Resolution, except to the extent that the same are modified and/or amended and/or supplemented hereby or deemed to

specifically apply to the Series 1998 Bonds, are ratified and confirmed and are declared to be and shall be and shall remain in full force and effect and shall apply in all respects to this Resolution and to the Series 2022. Sections 31 and 32 of the Original Resolution shall not apply to the Series 2022 Bond.

SECTION 11. TAX COVENANTS. (A) The Issuer shall not use or permit the use of any proceeds of the Series 2022 Bond, or of any other bonds or obligations refunded with proceeds thereof, directly or indirectly, or any other funds of the Issuer, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Issuer with respect to the Series 2022 Bond in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Series 2022 Bond to be a “private activity bond” within the meaning of Section 141 or an “arbitrage bond” within the meaning of Section 148, or “federally guaranteed” within the meaning of Section 149(b), of the Internal Revenue Code of 1986, as amended (in this Section called the “Code”), or otherwise cause interest on the Series 2022 Bond to become subject to federal income taxation.

(B) The Issuer shall at all times do and perform all acts and things permitted by law and this Resolution which are necessary or desirable in order to assure that interest paid on the Series 2022 Bond will be excluded from gross income for purposes of federal income taxes and shall take no action that would result in such interest not being so excluded.

(C) The Issuer shall pay or cause to be paid to the United States Government any amounts required by Section 148(f) of the Code and the regulations thereunder (the “Regulations”). In order to ensure compliance with the rebate provisions of Section 148(f) of the Code with respect to any Series 2022 Bond for which the Issuer intends on the date of issuance thereof to be excluded from gross income for purposes of federal income taxation, the Issuer has created the “City of Panama City Beach Utility System Rebate Fund” under the Original Resolution (hereinafter the “Rebate Fund”) to be held by the Issuer. The Rebate Fund need not be maintained so long as the Issuer timely satisfies its obligation to pay any rebatable earnings to the United States Treasury; however, the Issuer may, as an administrative convenience, maintain and deposit funds in the Rebate Fund from time to time. Any moneys held in the Rebate Fund shall not be considered Pledged Revenues and shall not be pledged in any manner for the benefit of the holders of the Series 2022 Bond. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held for future payment to the United States Government as required by the Regulations and as set forth in instructions of Bond Counsel delivered to the Issuer upon issuance of such Series 2022 Bond.

SECTION 12. EXECUTION OF BOND. The Series 2022 Bond shall be signed by, or bear the facsimile signatures of the Mayor of the Issuer and the City Manager of the Issuer and shall be attested by, or bear the facsimile signature of, the Clerk and the official seal of the Issuer shall be impressed on the Series 2022 Bond. The City Clerk, as Registrar, shall manually authenticate the Series 2022 Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Series 2022 Bond shall cease to be such officer before the delivery of such Series 2022 Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such person has remained in office until such delivery. The Series 2022 Bond may bear the facsimile signature of or may be signed by such persons who, at the actual time of the execution of such Series 2022 Bond, shall be the proper officers to sign such Series 2022 Bonds although, at the date of such Series 2022 Bond, such persons may not have been such officers.

SECTION 13. REGISTRATION AND TRANSFER OF BOND. The Registrar shall keep books for the registration of and for the registration of transfers of the Series 2022 Bond. The transfer of the Series 2022 Bond may be registered only upon such books and only upon surrender thereof to the Registrar together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such registration of transfer, the Issuer shall execute and the Registrar shall authenticate and deliver in exchange for such Series 2022 Bond, a new Series 2022 Bond registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Series 2022 Bond so surrendered.

In all cases in which the Series 2022 Bond shall be exchanged, the Issuer shall execute and the Registrar shall authenticate and deliver, at the earliest practicable time, a new Series 2022 Bond of the same type in accordance with the provisions of this Resolution. The Series 2022 Bond surrendered in such exchange or registration of transfer shall forthwith be canceled by the Registrar. The Issuer or the Registrar may make a charge for every such exchange or registration of transfer of the Series 2022 Bond sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to the Bondholder for the privilege of exchanging or registering the transfer of the Series 2022 Bond under the provisions of this Resolution. The Series 2022 Bond shall only be transferred in whole and upon the execution of a Lender's Certificate, in substantially the form approved by this Resolution; provided, however, that the Series 2022 Bond may be transferred to an affiliate of the Purchaser without a new Purchaser's Certificate.

In case the Series 2022 Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion cause to be executed, and the Registrar shall authenticate and deliver, a new Series 2022 Bond of like date and tenor as the Series 2022 Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Series 2022 Bond upon surrender and cancellation of such mutilated Series 2022 Bond or in lieu of and substitution for the Series 2022 Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer and the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. The Series 2022 Bond so surrendered shall be canceled by the Issuer. If the Series 2022 Bond shall have matured or be about to mature, instead of issuing a substitute Series 2022 Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Series 2022 Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2022 Bond issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Series 2022 Bond be at any time found by anyone, and such duplicate Series 2022 Bond shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as the Series 2022 Bond issued hereunder.

SECTION 14. PAYMENTS DUE ON DAYS OTHER THAN BUSINESS DAYS. In any case where the date for making any payment or the last date for performance of any act or the exercise of any right shall be other than a Business Day, then such payment or performance shall be made on

the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Resolution, provided that interest on any monetary obligation hereunder shall accrue at the applicable rate to and including the date of such payment.

SECTION 15. DEFAULTS, EVENTS OF DEFAULT AND REMEDIES. (A) If any representation or warranty made in writing by or on behalf of the Issuer in this Resolution, the Original Resolution or the Series 2020B Bond shall prove to have been false or incorrect in any material respect on the date made or reaffirmed shall be deemed to be an Event of Default.

(B) Failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Resolution or the Original Resolution for period of thirty (30) days after the earlier of (i) the date written notice specifying such failure and requesting that it be remedied is given to the Issuer by the Purchaser, or (ii) the date the Issuer was required to give notice of the event or condition to the Purchaser pursuant to Section 15(C) hereof, unless in either case the Purchaser shall agree in writing to an extension of such time prior to its expiration shall be deemed an Event of Default.

(C) The Issuer shall within five (5) days after it acquires knowledge thereof, notify the Holder in writing (a) of any change in any material fact or circumstance represented or warranted by the Issuer in this Resolution or the Original Resolution or in connection with the issuance of the Series 2022 Bond; (b) upon the happening, occurrence, or existence of any Event of Default, and (c) any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Holder with such written notice, a detailed statement by a responsible officer of the Issuer of all relevant facts and the action being taken or proposed to be taken by the Issuer with respect thereto. Regardless of the date of receipt of such notice by the Holder, such date shall not in any way modify the date of occurrence of the actual Event of Default.

(D) If after the date hereof the Issuer shall, under the terms of an ordinance or resolution or other document or instrument authorizing the issuance of Additional Parity Obligations grant other Bondholders a right of acceleration, then such right of acceleration shall also apply with respect to the Series 2022 Bond.

SECTION 16. AMENDING AND SUPPLEMENTING OF RESOLUTION. The provisions of Section 23 of the Original Resolution shall apply to the Series 2022 Bond; provided, however, that no modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto may be made except with the written consent of the Holder, and no modification or amendment to Sections 20, 21, 22 or 26 of the Original Resolution may be made without the written consent of the Holder.

SECTION 17. COSTS OF ISSUANCE. For purposes of this Resolution, "Costs of Issuance" includes, legal, financial advisory and all other miscellaneous costs associated with the issuance of the Series 2022 Bonds. Payment of the Costs of Issuance shall be approved by the Mayor in such amounts as shall be necessary and appropriate, as shall be set forth in a [closing memorandum]. The City Clerk is hereby authorized to make such payments with no further authorization needed from the City Council.

SECTION 18. ADDITIONAL COVENANTS AND AGREEMENTS.

(A) 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 Purchaser is not acting as a municipal advisor or financial advisor to the Issuer and (iv) the Purchaser 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 Purchaser has provided other services or is currently providing other services to the Issuer on other matters); (b) (i) the Purchaser 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 Purchaser has no obligation to the Issuer, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other documents with respect to the Series 2022 Bond; (c) notwithstanding anything herein to the contrary, it is the intention of the Issuer and the Purchaser 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 Purchaser is delivered solely to evidence the repayment obligations of the Issuer under the loan document; and (d) the Purchaser may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and the Purchaser 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 Purchaser 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 Series 2022 Bond is 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.

(B) Financial Statements and Information. For so long as the Series 2022 Bond remains outstanding the Issuer shall provide to the Purchaser: (i) not later than 270 days after the end of each fiscal year of the Issuer, its annual financial statements for such fiscal year accompanied by an audit report in regular form; (ii) not later than 30 days after its adoption, the adopted budget for each fiscal year; and (iii) such other reports, schedules or other information (financial or otherwise) as the Purchaser shall reasonably request.

(C) Permission to Use Information. The Issuer agrees and consents that the Purchaser shall be permitted to use information related to the loan transaction in connection with marketing, press releases or other transactional announcements or updates provided to investors or trade publications, including, but not limited to, the placement of the logo or other identifying name on marketing materials or of "tombstone" advertisements in publications of its choice at its own expense.

(D) Patriot Act Notice. The Purchaser 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 Purchaser 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 Purchaser to identify the Issuer in accordance with the Act.

(E) Documentary and Intangible Taxes. In the event that any intangible tax or documentary stamp tax is due from the Purchaser to any state or other governmental agency or authority because of the execution or holding of the Series 2022 Bond, the Issuer shall, upon demand, reimburse the Purchaser for any such tax paid.

(F) Waiver of Jury Trial. The Issuer knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury, with respect to any litigation or legal proceedings based on or arising out of the Original Resolution, this Resolution or the Series 2022 Bond, including any course of conduct, course of dealings, verbal or written statement or actions or omissions of any party which in any way relates to the Bond, the Original Resolution or this Resolution.

(G) Account Debit Agreement. The Issuer will enter into and will maintain in effect so long as the Series 2022 Bond is outstanding an agreement with the Purchaser authorizing the Purchaser to debit an account maintained with the Purchaser or a banking institution selected by the Issuer and approved by the Purchaser.

SECTION 19. RESERVE FUND. Pursuant to the Original Resolution, the Issuer is authorized to establish a separate account within the Reserve Fund for the benefit of the Series 2022 Bond. The Issuer hereby elects to establish such account. The Reserve Requirement for the Series 2022 Bond shall be zero, therefore no Reserve Account would be required for the Series 2022 Bond.

SECTION 20. GENERAL AUTHORITY. The members of the City Council of the Issuer and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2022 Bond and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel.

SECTION 21. NO THIRD PARTY BENEFICIARIES. Except such other Persons as may be expressly described herein or in the Series 2022 Bond, nothing in this Resolution, or in the Series 2022 Bond, expressed or implied, is intended or shall be construed to confer upon any Person other than the Issuer and the Holder any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Series 2022 Bond, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holder.

SECTION 22. NO PERSONAL LIABILITY. Neither the members of the City Council of the Issuer nor any person executing the Series 2022 Bond shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 23. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid or shall in any manner be held to adversely affect the validity of the Series 2022 Bond, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Series 2022 Bond issued hereunder.

SECTION 24. APPLICABLE LAW AND VENUE. The Series 2022 Bond shall be governed by applicable federal law and the internal laws of the State of Florida. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related the Series 2022 Bond the Issuer consents to the jurisdiction and venue of any court located in the State of Florida.

SECTION 25. EFFECTIVE DATE. The provision of this Resolution shall take effect immediately upon its passage.

ADOPTED this 10th day of February, 2022.

(SEAL)

ATTEST

By: Lynne Fusone
Clerk

By: Mark Sheldon
Mark Sheldon, Mayor

By: Drew Whitman
Drew Whitman, City Manager