

TOWN OF GOLDEN BEACH, FLORIDA

RESOLUTION NO. 2657.19

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, AUTHORIZING THE ISSUANCE OF A CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2019, OF THE TOWN OF GOLDEN BEACH, FLORIDA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$4,000,000 FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION, INSTALLATION AND FURNISHING OF A NEW CIVIC CENTER COMPLEX MASTERPLAN, AND PAYING COSTS OF ISSUANCE OF THE NOTE; AWARDING THE SALE OF THE NOTE TO CITY NATIONAL BANK OF FLORIDA; PROVIDING FOR SECURITY FOR THE NOTE; PROVIDING OTHER PROVISIONS RELATING TO THE NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on October 15, 2019, the Town Council (the "Council") of the Town of Golden Beach, Florida (the "Town") adopted Resolution No. 2651.19 (the "Initial Resolution") which among other things, determined that it is necessary and in the best interest of the Town to finance a portion of the cost of construction, installation and furnishing of a new civic center complex masterplan (the "Project"), and to select City National Bank of Florida (the "Bank") as having the best proposal to finance the Project; and

WHEREAS, pursuant to the Initial Resolution, the Mayor and Town Manager have met with the Bank, and desire to set forth the details of the Loan from the Bank and the Note to be purchased by the Bank evidencing the Loan herein;

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, AS FOLLOWS:

Section 1. Recitals Adopted. Each of the above stated recitals is hereby adopted, confirmed and incorporated herein.

Section 2. Authorization of Note. Pursuant to the provisions of this Resolution

and the Initial Resolution a revenue note of the Town to be designated "Town of Golden Beach, Florida Capital Improvement Revenue Note, Series 2019" (the "Note"), is hereby authorized to be issued in a principal amount not to exceed \$4,000,000 for the purpose of financing a portion of the costs of the Project and paying costs of issuance of the Note.

Section 3. Terms of the Note.

(a) General Provisions. The Note shall be issued in fully registered form without coupons as a draw down Note. The principal of and interest on the Note shall be payable when due in lawful money of the United States of America by wire transfer or by certified check delivered on or prior to the date due to the registered Owner of the Note ("Owner") or its legal representative at the address of the Owner as it appears on the registration books of the Town. Payments shall be made in immediately available funds by no later than 2:00 p.m., Eastern time, on the date due, free and clear of any defenses, set-offs, counterclaims, or withholdings or deductions for taxes. If any payment required to be made hereunder is not paid within ten (10) days of when due, the Town shall pay to the Owner a late charge equal to five percent (5%) of the late payment. In addition, during the period in which an Event of Default shall have occurred or be continuing hereunder, the Note shall bear interest at a rate of three percent (3%) in excess of the interest rate immediately prior to the occurrence of such Event of Default (the "Default Rate").

The Note shall be dated the date of delivery and shall be issued as one Note in the denomination of not to exceed \$4,000,000. The first draw shall be made on the date of delivery in the amount of \$250,000.00 (the "Initial Draw"). The Note shall mature on December 1, 2039 (the "Maturity Date"). Draws will be permitted to be made on the Note from time to time, up to an aggregate maximum principal amount of \$4,000,000, in accordance with Section 4 hereof.

THE NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE TOWN OR A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OF THE STATE OF FLORIDA, BUT SHALL, INSTEAD, BE PAYABLE FROM AND SECURED EXCLUSIVELY BY LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE TOWN, AS DEFINED AND TO THE EXTENT PROVIDED IN THIS RESOLUTION. THE ISSUANCE OF THE NOTE SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE TOWN TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATEVER THEREFOR NOR SHALL THE NOTE CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE TOWN, AND THE OWNER OF THE NOTE SHALL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION.

(b) Interest Rate. Subject to adjustment as provided below, the Note shall bear interest initially at a fixed rate for the first ten (10) years calculated based on the amount drawn from time to time, and outstanding principal balance from the date of such draw and payable semiannually on each December 1 and June 1, (each an "Interest Payment Date"), commencing on June 1, 2020, at an interest rate equal to 2.9467% (the "Fixed Rate") per annum, through December 1, 2029 (the "Fixed Rate Period"); thereafter the Note shall bear interest at a floating rate equal to the (10 year U.S. Treasury Rate plus 2.00%) x (0.79) (the "Floating Rate") to be set on a semiannual basis commencing December 1, 2029, and reset on each Interest Payment Date thereafter to be paid on the next succeeding Interest Payment Date, until the Maturity Date or prepayment in full (the "Floating Rate Period").

(i) Adjustment of Interest Rate for Full Taxability. Upon a Determination of Taxability (as defined below) during the Fixed Rate Period, the Fixed Rate of interest on the Note shall be adjusted upward to 3.73% per annum (the "Fixed Taxable Rate") during the Fixed Rate Period and the Floating Rate of interest on the Note shall be adjusted upward to the 10 Year U.S. Treasury Rate plus 2.00% (the "Taxable Floating Rate") to be set on a semiannual basis during the Floating Rate Period on each Interest Payment Date until the Maturity Date or prepayment in full, retroactive as of the date of the Determination of Taxability event. In addition to the payments of principal and interest on the Note required to be paid

pursuant to the terms of this Resolution and the Note, the Town hereby agrees to pay to the Owner an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Internal Revenue Code of 1986, as amended (the "Code")) owed by the Owner as a result of the occurrence of a Determination of Taxability. All such interest, penalties on overdue interest, and additions to tax shall be paid by the Town on the next succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean 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 any Note is or was includable in the gross income of an Owner of the Note for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Town has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Owner of a Note, and until the conclusion of any appellate review, if sought.

(ii) Adjustment of Interest Rate for Loss of Bank Qualified Status. So long as no Determination of Taxability shall have occurred, upon the occurrence of a Loss of BQ Status (as defined below), and for as long as the Note remains outstanding, the interest rate on the Note shall be converted to the Adjusted BQ Rate (as defined below). In addition, upon a Loss of BQ Status, the Town shall pay to the Owner (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Note during the period of time from the date of issuance of the Note to the next succeeding Interest Payment Date, and (B) the amount of interest that would have been paid during the period in clause (A) had the Note borne interest at the Adjusted BQ Rate, and (ii) an amount equal to any penalties and interest paid or payable by such Owner to the Internal Revenue Service by reason of such as a

result of the Loss of BQ Status.

A certificate of the Owner as to any such additional amount or amounts, in the absence of manifest error, shall be final and conclusive. In determining such amount, the Owner may use any reasonable averaging and attribution methods.

As used in the preceding paragraph:

“Adjusted BQ Rate” shall mean, upon a Loss of BQ Status, the interest rate per annum that shall provide the Owner with the same after tax yield that the Owner would have otherwise received had the Loss of BQ Status not occurred, taking into account the increased taxable income of the Owner as a result of such Loss of BQ Status. The Owner shall provide the Town with a written statement explaining the calculation of the Adjusted BQ Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Town; and

“Loss of BQ Status” shall mean a determination by the Owner that the Note is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision).

(c) Prepayment Provisions.

(i) Mandatory Prepayment. The principal of the Note shall be subject to mandatory prepayment in annual installments on each December 1, commencing December 1, 2022, in the amount set forth in the Amortization Schedule attached to the Note, until prepayment in full or upon the Maturity Date.

(ii) Optional Prepayment. The Note is subject to optional prepayment without penalty or premium in whole or in part prior to December 1, 2022 at any time, and on or after December 1, 2022, in part on any Interest Payment Date in amounts not less than \$100,000, upon ten (10) days written notice to the Owner specifying the principal amount to be prepaid, the date of such prepayment, and if in part, on or after December 1, 2022, requesting a new amortization schedule be prepared reflecting such partial prepayment. Any partial prepayments shall be applied to installments of principal on a pro rata basis and shall not postpone any due dates of, or relieve the amounts of scheduled installments of principal, except to the extent prepaid. Upon any prepayment the Bank shall prepare a new amortization schedule which shall be attached to the Note, demonstrating the pro rata application of such prepayment of principal.

Section 4. Procedure For Making Draws On The Note.

(a) Draw Limitations. The total principal amount outstanding on the Note shall never exceed \$4,000,000. The Initial Draw and subsequent draws on the Note shall be at least \$250,000. Draws may be made until December 1, 2022. No more than one draw on the Note per week shall be permitted. Any undrawn amounts on the Note not exceeding \$4,000,000 may be drawn on December 1, 2022 (the "Final Draw"). Amounts drawn and repaid may not be reborrowed.

(b) The Town shall provide to the Bank at least three (3) Business Days prior to any draw (except for the Initial Draw), a draw certificate in the form provided in Exhibit "A" attached hereto and made a part hereof. On December 1, 2022, the Bank shall provide a new amortization schedule for the Note.

Section 5. Execution Of Note. The Note shall be signed in the name of the Town by the Mayor, or in his absence, the Vice Mayor, and the Town Clerk, or in her absence, the Deputy Town Clerk, and its seal shall be affixed thereto or imprinted or reproduced thereon. The signatures of the Mayor or Vice Mayor and Town Clerk or Deputy Town Clerk on the Note may be manual or facsimile signatures, provided that the signature of one of such officers shall be a manual signature. In case any one or more of the officers who shall have signed or sealed the Note shall cease to be such officer of the Town before the Note so signed and sealed shall have been actually sold and delivered, such Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed and sealed such Note had not ceased to hold such office. Any Note may be signed and sealed on behalf of the Town by such person as at the actual time of the execution of such Note shall hold the proper office, although at the date of such Note such person may not have held such office or may not have been so authorized.

Section 6. Negotiability, Registration And Cancellation. The Town shall serve as Registrar and as such shall keep books for the registration of Note and for the registration of transfers of the Note. The Note may only be transferred or exchanged upon the registration books kept by the Town, upon delivery to the Town of evidence that such transferee is an "Accredited Investor" as such term is defined in the Securities Act of 1933, as amended, and Regulation D thereunder, together with written instructions as to the details of the transfer or exchange, of such Note in form satisfactory to the Town and with guaranty of signatures

satisfactory to the Town, along with the social security number or federal employer identification number of any transferee. The Note may be exchanged in whole but not in part for a Note of the same aggregate principal amount and maturity. No transfer or exchange of any Note shall be effective until entered on the registration books maintained by the Town.

The Town may deem and treat the person in whose name any Note shall be registered upon the books kept by the Town as the absolute Owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note as they become due and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

In all cases in which the Note is transferred or exchanged in accordance with this Section, the Town shall execute and deliver a Note in accordance with the provisions of this Resolution. All Notes surrendered in any such exchanges or transfers shall forthwith be cancelled by the Town. There shall be no charge for any such exchange or transfer of the Note, but the Town may require the payment of a sum sufficient to pay any third party tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Town shall not be required to transfer or exchange Note for a period of 15 days next preceding an Interest Payment Date on such Note.

All Notes, the principal of and interest on which have been fully paid, either at or prior to maturity, shall be delivered to the Town when such payment is made, and shall thereupon be cancelled.

Section 7. Note Mutilated, Destroyed, Stolen Or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the Town may in its discretion issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in the case

of a mutilated Note, in exchange and substitution for such mutilated Note upon surrender of such mutilated Note or in the case of a destroyed, stolen or lost Note in lieu of and substitution for the Note destroyed, stolen or lost, upon the Owner furnishing the Town proof of his ownership thereof, satisfactory proof of loss or destruction thereof and satisfactory indemnity, complying with such other reasonable regulations and conditions as the Town may prescribe and paying such expenses as the Town may incur. The Town shall cancel all mutilated Note that are surrendered. If any mutilated, destroyed, lost or stolen Note shall have matured or be about to mature, instead of issuing a substitute Note, the Town may pay the principal of and interest on such Note upon the Owner complying with the requirements of this paragraph.

Any such duplicate Note issued pursuant to this section shall constitute original, additional contractual obligations of the Town whether or not the lost, stolen or destroyed Note be at any time found by anyone, and such duplicate Note 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 extent as all other Note issued hereunder.

Section 8. Form Of Note. The text of the Note shall be of substantially the tenor set forth in Exhibit "B" hereto, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution.

Section 9. Covenant To Budget And Appropriate. The Town hereby covenants to budget and appropriate in its annual budget, by amendment if necessary, from Legally Available Non-Ad Valorem Revenues (as defined in this Section) in each fiscal year, beginning each October 1 through and including September 30 (each a "Fiscal Year"), sufficient moneys to pay the principal of and interest on the Note coming due in such Fiscal Year, and each Fiscal Year thereafter until the Note is paid in full. "Legally Available Non-Ad Valorem Revenues" means all revenues of the Town derived from any source whatsoever, other than ad valorem

taxation on real and personal property, which are legally available to make the payments of principal and interest on the Note, but only after provision has been made by the Town for payment, to the extent not otherwise provided for by ad valorem taxes, of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Town, or which are legally mandated by applicable law (those services are as shown in the audited financial statements of the Town under the table "Statement of Revenues, Expenditures and Changes in Fund Balance" as expenses for General Government and Public Safety). Such covenant and agreement on the part of the Town to budget and appropriate such amounts shall be cumulative to the extent not paid, and shall continue until Legally Available Non-Ad Valorem Revenues or other available funds in amounts sufficient to make all required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Town, the Town does not covenant to maintain any services or programs now provided or maintained by the Town, which generate Legally Available Non Ad-Valorem Revenues. So long as there are Legally Available Non-Ad Valorem Revenues, the Town may not fail to budget and appropriate debt service in order to balance its budget. The foregoing covenant to budget and appropriate shall be deemed to require appropriation, in the manner set forth above, of Legally Available Non-Ad Valorem Revenues ratably to pay the obligations hereunder and all other Additional Covenant Debt as defined below. The Town will not enter into any covenant to budget and appropriate from Legally Available Non-Ad Valorem Revenues which is in any manner prior or senior to its obligations hereunder. "Additional Covenant Debt" shall mean indebtedness of the Town heretofore or hereafter issued which contains a covenant by the Town to budget and appropriate from Legally Available Non-Ad Valorem Revenues an amount sufficient to pay the principal, interest and premium, if any, on such debt as same becomes due and payable, all in a form similar to the covenant described

herein.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Legally Available Non-Ad Valorem Revenues, nor, except as provided in Section 16 hereof, does it preclude the Town from pledging in the future a particular source or sources of non ad-valorem revenues. Such covenant to budget and appropriate Legally Available Non-Ad Valorem Revenues is subject in all respects to the payment of obligations heretofore or hereafter (but only to the extent permitted by Section 16 hereof) entered into, including but not limited to the payment of debt service on the Note and other debt instruments. However, the covenant to budget and appropriate in its annual budget for the purposes and in the manner stated herein shall have the effect of making available in the manner described herein Legally Available Non-Ad Valorem Revenues and placing on the Town a positive duty to budget and appropriate, by amendment if necessary, amounts sufficient to meet its obligations hereunder, subject however, in all respects to the terms of this Resolution and the restrictions of Section 166.241(2), Florida Statutes which provides, in part, that the governing body of each municipality make appropriations for each Fiscal Year which, in any one Fiscal Year, shall not exceed the amount to be received from taxation or other revenue sources.

Section 10. Note Fund. There is hereby created a fund entitled "Town of Golden Beach, Florida Capital Improvement Revenue Note, Series 2019 Note Fund" (the "Note Fund"), to be established with the Bank. There shall be deposited into the Note Fund no later than each date on which principal or interest is due sufficient amounts of Legally Available Non-Ad Valorem Revenues as specified in Section 9 hereof which, together with the amounts already on deposit therein, will enable the Town to pay the principal of and interest on the Note on each such date or other date when principal or interest may be due. Moneys in the Note Fund shall be applied on each such date to the payment of principal of and interest on the Note coming

due on each such date. Subject to Section 13 hereof, funds in the Note Fund may be invested in the Authorized Investments (as defined in Section 11), maturing at or before the time such funds may be needed to pay principal of or interest on Note.

Section 11. Application Of Note Proceeds.

The proceeds received upon the sale and Initial Draw of the Note, and each subsequent draw on the Note shall be deposited in the "Town of Golden Beach, Florida Capital Improvement Revenue Note, Series 2019 Project Fund" (the "Project Fund"), established with the Bank and used only in connection with the Project.

Subject to Section 13 hereof, funds in the Project Fund may be invested in the following investments, maturing not later than the date or dates on which such proceeds will be needed for purposes of this Resolution, to the extent such investments are legal for investment of municipal funds ("Authorized Investments"):

- (i) The Local Government Surplus Funds Trust Fund;
- (ii) Negotiable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States Government at the then prevailing market price for such securities;
- (iii) Interest-bearing time deposits or savings accounts in banks organized under the laws of the State of Florida (the "State"), in national banks organized under the laws of the United States and doing business and situated in the State, in savings and loan associations which are under State supervision, or in federal savings and loan associations located in the State and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law;
- (iv) Obligations of the federal farm credit banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or

the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association;

(v) Obligations of the Federal National Mortgage Association, including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association;

(vi) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; or

(vii) Any other investments that at the time are legal investments for municipal funds and are permitted by the duly approved investment policy of the Town.

Subject to Section 14 hereof, any income received upon such investment shall be retained in the Project Fund and applied to costs of the Project or, at the option of the Town, deposited in the Note Fund and used to pay interest on the Note until completion of the Project.

Subject to Section 14 hereof, after the completion of the Project, any remaining balance in the Project Fund shall be deposited into the Note Fund and used solely to redeem, or pay the principal of, the Note.

The Project Fund shall be kept separate and apart from all other funds of the Town and the moneys on deposit therein shall be withdrawn, used and applied by the Town solely for the purposes set forth herein. Pending such application, the Project Fund shall be subject to the lien of the Owners of the Note for the payment of the principal of and interest on

the Note.

The registered Owner shall have no responsibility for the use of the proceeds of the Note, and the use of such Note proceeds by the Town shall in no way affect the rights of such registered Owner. The Town shall be obligated to apply the proceeds of the Note solely as provided herein. However, the Town shall be irrevocably obligated to continue to pay the principal of and interest on the Note notwithstanding any failure of the Town to use and apply such Note proceeds in the manner provided herein.

Section 12. Funds. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. The money in such funds and accounts shall be continuously secured in the same manner as deposits of Town funds are authorized to be secured by the laws of the State of Florida. Except as otherwise provided herein, earnings on any investments in any amounts on any of the funds and accounts herein established and created shall be credited to such respective fund or account.

The designation and establishment of the funds and accounts in and by this Resolution 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 and assets of the Town for the purposes herein provided and to establish certain priorities for application of such revenues and assets.

Section 13. Investments And Use Of Proceeds To Comply With Internal Revenue Code Of 1986. The Town covenants to the Owner of the Note that it will take all actions and do all things necessary and desirable in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Note, and shall refrain from taking any actions

that would cause interest on the Note to be included in gross income for federal income tax purposes. In particular, the Town will not make or direct the making of any investment or other use of the proceeds of the Note which would cause such Note to be a "private activity bond" as that term is defined in Section 141 (or any successor provision thereto) of the Code or "arbitrage bond" as that term is defined in Section 148 (or any successor provision thereto) of the Code, and all applicable regulations promulgated under the Code, and that it will comply with the applicable requirements of Sections 141 and 148 of the Code and the aforementioned regulations throughout the term of the Note.

Section 14. Arbitrage Rebate Covenants. There is hereby created and established a fund to be held by the Town, designated the "Town of Golden Beach, Florida Capital Improvement Revenue Note, Series 2019 Rebate Fund" (the "Rebate Fund"). The Rebate Fund shall be held by the Town separate and apart from all other funds and accounts held by the Town under this Resolution and from all other moneys of the Town.

Notwithstanding anything in this Resolution to the contrary, the Town shall transfer to the Rebate Fund the amounts required to be transferred in order to comply with the Rebate Covenants, if any, attached as an Exhibit to the Tax Certificate to be delivered by the Town on the date of delivery of the Note (the "Rebate Covenants"), when such amounts are so required to be transferred. The Town Manager shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The Town covenants for the benefit of the Owner of the Note that it will comply with the Rebate Covenants. The Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom, shall be excluded from the pledge and lien of this Resolution. The Town shall not be required to comply with the requirements of this Section 14 in the event that

the Town obtains an opinion of nationally recognized bond counsel that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Note and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Note.

Section 15. Designation Under Section 265(B)(3) Of The Code. The Town hereby designates the Note as qualified tax-exempt obligations under Section 265(b)(3) of the Code, and shall make all necessary filings in order to effectuate such election. The Town represents that neither the Town nor any subordinate entities or entities issuing tax-exempt obligations on behalf of the Town within the meaning of Section 265(b)(3) of the Code have issued tax-exempt obligations during calendar year 2019 and neither the Town nor any such entities expect to issue tax-exempt obligations during calendar year 2019, other than the Note.

Section 16. Special Covenants.

(a) The Town shall, while the Note is outstanding, within two hundred ten (210) days of the end of each Fiscal Year of the Town, deliver to the Owner a copy of the annual audited financial statements of the Town for such Fiscal Year. Within sixty (60) days of its final adoption, the Town shall deliver to the Owner a copy of the operating budget for each upcoming Fiscal Year of the Town. The Town shall provide the Owner with any other information it may reasonably request in writing.

(b) The Town shall open and maintain a depository account with the Bank with a Minimum balance of \$1,000,000.00 at or prior to the issuance and Initial Draw on the Note and maintain such account during the term of the Note.

(c) The Town, within six months after the Initial Draw, is to establish its main non-exclusive banking services relationship, including depository and treasury management with the Bank, to the extent deemed in the best interests of the Town.

(d) (i) In each Fiscal Year in which the Note is outstanding hereunder, Legally Available Non-Ad Valorem Revenues shall be at least 125% of the maximum annual debt service on the Note, (assuming the Note has been drawn for the full amount of \$4,000,000 and taking into consideration any prepayments that have actually been made) and all Additional Covenant Debt (including all long-term financial obligations appearing on the Town's most recent annual audited financial statements) secured by Legally Available Non-Ad Valorem Revenues or secured and/or payable in the same manner as the Note (as specified in Section 9 hereof). For purposes of this covenant, the Town's Stormwater debt shall not be considered to be secured by Legally Available Non-Ad Valorem Revenues or secured and/or payable in the same manner as the Note (as specified in Section 9 hereof).

(ii) Prior to the incurrence of Additional Covenant Debt secured and/or payable in the same manner as the Note (as specified in Section 9 hereof), the Legally Available Non-Ad Valorem Revenues, shall be at least 125% of the maximum annual debt service on the Note (assuming the Note has been drawn for the full amount of \$4,000,000 and taking into consideration any prepayments that have actually been made) and Additional Covenant Debt (including all long-term financial obligations appearing on the Town's most recent annual audited financial statements) plus the new debt proposed to be issued secured by Legally Available Non-Ad Valorem Revenues or secured and/or payable in the same manner as the Note (as specified in Section 9 hereof).

(e) In addition, the Town will not issue any Additional Covenant Debt secured and/or payable in the same manner as the Note (as specified in Section 9 hereof) unless (A) no Event of Default exists hereunder, (B) any such Additional Covenant Debt secured by Legally Available Non-Ad Valorem Revenues and/or payable in the same manner as the Note (as specified in Section 9 hereof) will be on parity with the Note, with no preference given to any

particular issuance of debt, and (C) the other covenants of the Town contained herein will continue to be met.

(f) For purposes of the foregoing tests, maximum annual debt service on any outstanding variable rate debt will be assumed to bear interest at 1% per annum over the actual interest rate borne by such debt for such interest rate period preceding the date of calculation. For purposes of the foregoing tests, maximum annual debt service on any additional variable rate debt proposed to be issued will be assumed to bear interest at 1% per annum over the actual interest rate borne by such debt on the date of issuance of such Additional Covenant Debt.

(g) For purposes of the foregoing tests, if any Additional Covenant Debt of the Town, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, maximum annual debt service on such debt shall be determined assuming that the final payment due thereunder is amortized over five (5) years on an approximately level debt service basis. As used herein, "Balloon Indebtedness" means debt of the Town, twenty percent (20%) or more of the original principal amount of which matures during any one Fiscal Year.

Section 17. Covenants Binding On Town And Successor. All covenants, stipulations, obligations and agreements of the Town contained in this Resolution constitute a contract between the Town and the Owner of the Note and shall be deemed to be covenants, stipulations, obligations and agreements of the Town to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon the officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the Town Council or officer, agent or employee of the Town in his or her individual capacity, and neither the members of the Town Council nor any officer, agent or employee of the Town executing the Note shall be liable personally on the Note or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 18. Events Of Default. Each of the following events is hereby declared an "Event of Default":

(a) payment of the principal of or amortization installments on the Note shall not be made when the same shall become due and payable; or

(b) payment of any installment of interest on the Note shall not be made when the same shall become due and payable; or

(c) the Town shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Note or in this Resolution (except for a default described in subsection (a) or (b) of this Section) on the part of the Town to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Town by any Owner of any Note; provided that it shall not constitute an Event of Default if the default is not one that can be cured within such thirty (30) days, as agreed by the Owner and the Town, and the Town commences within such thirty (30) days action to correct such default and such default is corrected within one hundred twenty (120) days after the written notice; or

(d) any representation or warranty made in writing by or on behalf of the Town in this Resolution or in any closing certificate furnished by the Town to the Owner shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(e) the Town becomes unable, or admits in writing its inability, to pay its debts generally as they become due, or becomes insolvent or the subject of insolvency proceedings, or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(f) any proceeding shall be instituted with or without the consent of the Town under federal bankruptcy laws or other federal or state laws affecting creditors' rights or any proceeding shall otherwise be instituted for the purpose of effecting a composition between the Town and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted and any such proceeding shall not have been dismissed with prejudice within thirty (30) days after the institution of the same; or

(g) a default occurs under any other Additional Covenant Debt obligation of the Town secured and/or payable in the same manner as the Note (as specified in Section 8 hereof) or any other loan with the Bank.

Section 19. Remedies; Rights Of Owners.

Upon the occurrence and continuance of any Event of Default specified in Section 18 hereof, the Note shall bear interest at the Default Rate and except for Events of Default under (c) or (d) in Section 18 hereof, the Owner of the Note may declare all payments of principal and accrued interest to be immediately due and payable, whereupon the same shall become immediately due and payable.

In addition, upon the occurrence and continuance of any Event of Default specified in Section 18 hereof, the Owner of the Note may pursue any available remedy by suit, at law or in equity, to enforce the payment of the principal of and interest on the Note then outstanding.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be waiver of any such

default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 20. Sale Of Note. Based upon the uncertainty of the interest rate environment if sale of the Note is delayed, and the immediate need by the Town for funds required to complete the Project, the Town hereby determines the necessity for a negotiated sale of the Note. The Town has been provided all applicable disclosure information required by Section 218.385, Florida Statutes. The negotiated sale of the Note is hereby approved to the Bank at a purchase price of par.

Section 21. Authority Of Officers. The Mayor, or in his absence, the Vice Mayor, the Town Clerk, or in her absence, the Deputy Town Clerk, the Town Manager, the Town Attorney and any other proper official of the Town, are and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transaction contemplated by this Resolution and the other documents identified herein.

Section 22. Severability. In case any one or more of the provisions of this Resolution or of the Note issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Note, but this Resolution and the Note shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Note is issued and this Resolution is adopted with the intent that the laws of the State shall govern their construction.

Section 23. Payments Due On Saturdays, Sundays And Holidays. In any case where the date of maturity of interest on or principal of the Note shall not be a Business

Day, as defined below, then payment of such interest or principal need not be made by the Town on such date but may be made on the next succeeding Business Day, and payment on such day shall have the same force and effect as if paid on the nominal date for payment. As used herein, "Business Day" shall mean any day other than a Saturday, Sunday or a day on which the banks in the State of Florida are required, or authorized or not prohibited, by law (including executive orders) to close and are closed.

Section 24. Repealing Clause. All resolutions or parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

Section 25. Modification, Amendment Or Supplement. After the issuance of the Note, no modification, amendment or supplement of this Resolution or of any resolution amendatory hereof or supplemental hereto, or of the Note may be made without the consent in writing of the Owner.

Section 26. No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Bank and a subsequent Owner of the Note issued hereunder, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Bank and any Owner from time to time of the Note issued hereunder.

Section 27. Applicable Law. The laws of the United States and the laws of the State of Florida shall govern the transactions contemplated hereunder and the Note.

Section 28. Waiver of Jury Trial. BANK AND TOWN HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT

OF, UNDER, OR IN CONNECTION WITH THIS RESOLUTION OR THE NOTE AND ANY AGREEMENT TO BE CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR BANK IN PURCHASING THE NOTE.

Section 29. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

The Motion to adopt the foregoing Resolution was offered by Councilmember Lusskin, seconded by Vice Mayor Bernstein, and on roll call the following vote ensued:

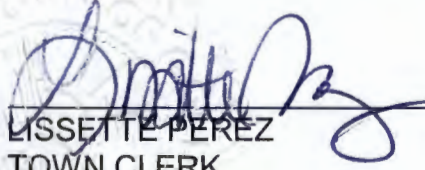
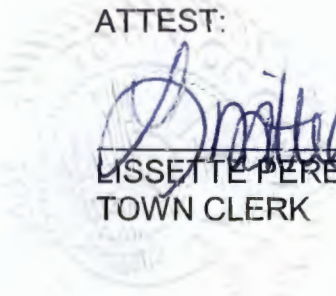
Mayor Glenn Singer	<u>Aye</u>
Vice Mayor Kenneth Bernstein	<u>Aye</u>
Councilmember Judy Lusskin	<u>Aye</u>
Councilmember Jaime Mendal	<u>Absent</u>
Councilmember Bernard Einstein	<u>Aye</u>

PASSED AND ADOPTED by the Town Council of the Town of Golden Beach, Florida this 19th day of November, 2019.



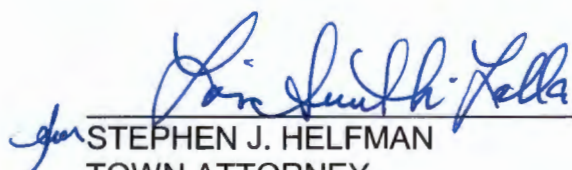
MAYOR GLENN SINGER

ATTEST:



LISSETTE PEREZ
TOWN CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:



STEPHEN J. HELFMAN
TOWN ATTORNEY



TOWN OF GOLDEN BEACH

One Golden Beach Drive
Golden Beach, FL 33160

MEMORANDUM

Date: November 19, 2019

To: Honorable Mayor Glenn Singer and
Town Council Members

From: Alexander Diaz,
Town Manager

A handwritten signature in blue ink that reads "Alex B." with a circled "B".

Subject: Resolution No. 2657.19 - Authorizing the Issuance of Tax-Exempt
Bonds to Finance the Costs of A New Civic Center

Item Number:

8

Recommendation:

It is recommended that the Town Council adopt the attached Resolution No. 2657.19 as presented.

Background:

The attached term sheet and note serve as the funding instruments for the Town's Civic Center Complex Master Plan.

Fiscal Impact:

\$4-million dollar note drawn as a line of credit.

Cost will vary depending on draw schedule, repayment and varied interest rate after initial 10-year lock.

EXHIBIT "A"

FORM OF DRAW CERTIFICATE

DRAW NO. _____

The undersigned officer of the Town of Golden Beach, Florida (the "Town") DOES HEREBY CERTIFY THAT:

1. This certificate is being provided to City National Bank of Florida (the "Bank") in accordance with Section 4 of Resolution No. ___ adopted by the Town on November 19, 2019 (the "Resolution"), in order to permit the Town to make a draw on the Town of Golden Beach, Florida Capital Improvement Revenue Note, Series 2019, in favor of the Bank as registered Owner (the "Note").

2. The Town hereby requests a draw on the Note in the amount of \$_____. The proceeds of the draw shall be deposited in the Project Fund held by the Bank no later than _____, 20___, and such proceeds will be used to pay the costs of the Project as described in the Resolution.

3. After such draw the total outstanding principal amount on the Note will be \$_____. The amount available to be drawn on the Note will be \$_____.

4. As of the date hereof, the undersigned is the duly appointed, qualified and acting Town Manager of the Town, and as such is authorized to execute this certificate on behalf of the Town.

WITNESS my hand and the corporate seal of the Town of Golden Beach, Florida, this _____ day of _____, 20___.

[SEAL]

TOWN OF GOLDEN BEACH, FLORIDA

By: _____

Name: _____

Title: Town Manager

EXHIBIT "B"
FORM OF NOTE

No. R- 1

Not to exceed
\$4,000,000.00

UNITED STATES OF AMERICA
STATE OF FLORIDA
TOWN OF GOLDEN BEACH, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE
SERIES 2019

<u>Dated Date</u>	<u>Initial Interest Rate</u>	<u>Stated Maturity Date</u>
November 20, 2019	2.9467%	December 1, 2039

Registered Owner: CITY NATIONAL BANK OF FLORIDA

Principal Amount: Not to Exceed Four Million Dollars

FOR VALUE RECEIVED the Town of Golden Beach, Florida (hereinafter referred to as the "Town"), a municipal corporation of the State of Florida hereby covenants and promises to pay to the order of the Registered Owner identified above, or its registered assigns or legal representatives, at 25 West Flagler Street, Miami, Florida 333130, or at such other place as the Registered Owner may designate to the Town, to the extent and from the sources provided therefor, as described herein, Payments shall be made in immediately available funds by no later than 2:00 p.m., Eastern time, on the date due, free and clear of any defenses, set-offs, counterclaims, or withholdings or deductions for taxes. If any payment required to be made hereunder is not paid within ten (10) days of when due, the Town shall pay to the Registered Owner a late charge equal to five percent (5%) of the late payment.

A. Interest Rate: Subject to adjustment as provided below, this Note shall bear interest initially at a fixed rate for the first ten (10) years calculated based on the amount drawn from time to time, and outstanding principal balance from the date of such draw and payable semiannually on each December 1 and June 1, (each an "Interest Payment Date"), commencing on June 1, 2020, at an interest rate equal to 2.9467 % (the "Fixed Rate") per annum, through December 1, 2029 (the "Fixed Rate Period"); thereafter the Note shall bear interest at a floating rate equal to the (10 year U.S. Treasury Rate plus 2.00%) x (0.79) (the "Floating Rate") to be set on a semiannual basis commencing December 1, 2029, and reset on each Interest Payment Date thereafter to be paid on the next succeeding Interest Payment Date, until the Maturity Date or prepayment in full (the "Floating Rate Period").

(i) Adjustment of Interest Rate for Full Taxability. Upon a Determination of Taxability (as defined below) during the Fixed Rate Period, the Fixed Rate of interest on the Note shall be adjusted upward to 3.73% per annum (the "Fixed Taxable Rate") during the Fixed Rate Period and the Floating Rate of interest on the Note shall be adjusted upward to the 10 Year U.S. Treasury Rate plus 2.00% (the "Taxable Floating Rate") to be set on a semiannual basis during the Floating Rate Period on each Interest Payment Date until the Maturity Date or prepayment in full, retroactive as of the date of the Determination of Taxability event. In addition to the payments of principal and interest on the Note required to be paid pursuant to the terms of this Resolution and the Note, the Town hereby agrees to

pay to the Owner an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Internal Revenue Code of 1986, as amended (the "Code")) owed by the Owner as a result of the occurrence of a Determination of Taxability. All such interest, penalties on overdue interest, and additions to tax shall be paid by the Town on the next succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean 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 any Note is or was includable in the gross income of an Owner of the Note for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Town has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Owner of a Note, and until the conclusion of any appellate review, if sought.

(ii) Adjustment of Interest Rate for Loss of Bank Qualified Status. So long as no Determination of Taxability shall have occurred, upon the occurrence of a Loss of BQ Status (as defined below), and for as long as this Note remains outstanding, the interest rate on this Note shall be converted to the Adjusted BQ Rate (as defined below). In addition, upon a Loss of BQ Status, the Town shall pay to the Registered Owner (i) an additional amount equal to the difference between (A) the amount of interest actually paid on this Note during the period of time from the date of issuance of this Note to the next succeeding Interest Payment Date, and (B) the amount of interest that would have been paid during the period in clause (A) had this Note borne interest at the Adjusted BQ Rate, and (ii) an amount equal to any penalties and interest paid or payable by such Owner to the Internal Revenue Service by reason of such as a result of the Loss of BQ Status.

A certificate of the Owner as to any such additional amount or amounts, in the absence of manifest error, shall be final and conclusive. In determining such amount, the Owner may use any reasonable averaging and attribution methods.

As used in the preceding paragraph:

"Adjusted BQ Rate" shall mean, upon a Loss of BQ Status, the interest rate per annum that shall provide the Owner with the same after tax yield that the Owner would have otherwise received had the Loss of BQ Status not occurred, taking into account the increased taxable income of the Owner as a result of such Loss of BQ Status. The Owner shall provide the Town with a written statement explaining the calculation of the Adjusted BQ Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Town; and

"Loss of BQ Status" shall mean a determination by the Owner that this Note is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code (or any successor provision).

B. Prepayment Provisions:

(i) Mandatory Prepayment. The principal of this Note shall be subject to mandatory prepayment in annual installments on each December 1, commencing December 1, 2022, in the amount set forth in the Amortization Schedule attached to this Note, until prepayment in full or upon the Maturity Date.

(ii) Optional Prepayment. The Note is subject to optional prepayment without penalty or premium in whole or in part prior to December 1, 2022 at any time, and on or after December 1, 2022, in part on any Interest Payment Date in amounts not less than \$100,000, upon ten (10) days written notice to the Owner specifying the principal amount to be prepaid, the date of such prepayment, and if in part after December 1, 2022, requesting a new amortization schedule be prepared reflecting such partial prepayment. Any partial prepayments shall be applied to installments of principal on a pro rata basis and shall not postpone any due dates of, or relieve the amounts of scheduled installments of principal, except to the extent prepaid. Upon any prepayment the Registered Owner shall prepare a new Amortization Schedule which shall be attached to this Note, demonstrating the pro rata application of such prepayment of principal.

C. Procedure For Making Draws On This Note:

(i) Draw Limitations. The total principal amount outstanding on this Note shall never exceed \$4,000,000. The Initial Draw and subsequent draws on this Note shall be at least \$250,000. Draws may be made until December 1, 2022. No more than one draw on this Note per week shall be permitted. Any undrawn amounts on this Note not exceeding \$4,000,000 may be drawn on December 1, 2022 (the "Final Draw").

(ii) The Town shall provide to the Registered Owner at least three (3) Business Days prior to any draw (except for the Initial Draw), a draw certificate in the form provided in Exhibit "A" attached to the Resolution. On the date of such Final Draw the Registered Owner shall provide a new amortization schedule for this Note. Amounts drawn and repaid may not be reborrowed.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE TOWN OR A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OF THE STATE OF FLORIDA, BUT SHALL, INSTEAD, BE PAYABLE FROM AND SECURED EXCLUSIVELY BY LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE TOWN, AS DEFINED AND TO THE EXTENT PROVIDED IN THIS RESOLUTION. THE ISSUANCE OF THIS NOTE SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE TOWN TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATEVER THEREFOR NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE TOWN, AND THE OWNER OF THIS NOTE SHALL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION.

D. Negotiability, Registration and Cancellation: The Town shall serve as Registrar and as such shall keep books for the registration of this Note and for the registration of transfers of this Note. This Note may only be transferred or exchanged upon the registration books kept by the Town, upon delivery to the Town of evidence that such transferee is an "Accredited Investor" as such term is defined in the Securities Act of 1933, as amended, and Regulation D thereunder, together with written instructions as to the details of the transfer or exchange, of such Note in form satisfactory to the Town and with guaranty of signatures satisfactory to the Town, along with the social security number or federal employer identification number of any transferee. This Note may be exchanged in whole but not in part for a Note of the same aggregate principal amount and maturity. No transfer or exchange of any Note shall be effective until entered on the registration books maintained by the Town.

The Town may deem and treat the person in whose name any Note shall be registered upon the books kept by the Town as the absolute Owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note as they become due and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

In all cases in which this Note is transferred or exchanged in accordance with this Section, the Town shall execute and deliver a new Note in accordance with the provisions of the Resolution. All Notes surrendered in any such exchanges or transfers shall forthwith be cancelled by the Town. There shall be no charge for any such exchange or transfer of this Note, but the Town may require the payment of a sum sufficient to pay any third party tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Town shall not be required to transfer or exchange this Note for a period of 15 days next preceding an Interest Payment Date on this Note.

This Note, the principal of and interest on which have been fully paid, either at or prior to maturity, shall be delivered to the Town when such payment is made, and shall thereupon be cancelled.

In case any Note shall become mutilated or be destroyed, stolen or lost, the Town may in its discretion issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost in accordance with the provisions of the Resolution.

E. Security And Payment Provisions: Pursuant to Section 9 of the Resolution the Town has covenanted to budget and appropriate in its annual budget, by amendment if necessary, from Legally Available Non-Ad Valorem Revenues (as defined in the Resolution) in each Fiscal Year (as defined in the Resolution), sufficient moneys to pay the principal of and interest on this Note coming due in such Fiscal Year, and each Fiscal Year thereafter until this Note is paid in full.

There shall be deposited into the Note Fund (as described in the Resolution) no later than each date on which principal or interest is due sufficient amounts of Legally Available Non-Ad Valorem Revenues which, together with the amounts already on

deposit therein, will enable the Town to pay the principal of and interest on this Note on each such date or other date when principal or interest may be due.

F. Default Interest Rate: All principal and installments of interest shall bear interest from the date that said payments are due and unpaid or from the date of occurrence of any other Event of Default (as hereinafter defined) under this Note shall bear interest at a rate of three percent (3%) in excess of the interest rate on this Note immediately prior to the occurrence of such Event of Default (the "Default Rate").

G. Late Charges: If any payment required to be made hereunder is not paid within ten (10) days of when due, the Town shall pay to the Registered Owner a late charge equal to five percent (5%) of the late payment to cover the extra expense involved in handling delinquent payments, provided that collection of said late charge shall not be deemed a waiver by the Registered Owner of any of its rights under this Note. Notwithstanding the foregoing, there shall be no grace period or late charges for payments due on the outstanding principal balance due on the Stated Maturity Date or upon acceleration, as set forth in Section H below, but such outstanding balance shall accrue interest at the Default Rate. The late charge is intended to compensate the Registered Owner for administrative and processing costs incident to late payments. The late charge payments are not interest. The late charge payment shall not be subject to rebate or credit against any other amount due. Any late charge shall be in addition to any other interest due.

H. Default and Remedies: If any of the following "Events of Default" occur (except under (3) or (4) below), at the Registered Owner's option, exercisable in its sole discretion, all sums of principal and interest under this Note shall be accelerated and become immediately due and payable without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, and the Registered Owner shall be immediately entitled to exercise all of its available remedies under the Resolution and this Note:

- (1) payment of the principal of or amortization installments on this Note shall not be made when the same shall become due and payable; or
- (2) payment of any installment of interest on this Note shall not be made when the same shall become due and payable; or
- (3) the Town shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in this Note or in the Resolution (except for a default described in subsection (1) or (2) of this Section) on the part of the Town to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Town by the Registered Owner of this Note; provided that it shall not constitute an Event of Default if the default is not one that can be cured within such thirty (30) days, as agreed by the Registered Owner and the Town, and the Town commences within such thirty (30) days action to correct such default and such default is corrected within one hundred twenty (120) days after the written notice; or

- (4) any representation or warranty made in writing by or on behalf of the Town in the Resolution or in any closing certificate furnished by the Town to the Registered Owner shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or
- (5) the Town becomes unable, or admits in writing its inability, to pay its debts generally as they become due, or becomes insolvent or the subject of insolvency proceedings, or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or
- (6) any proceeding shall be instituted with or without the consent of the Town under federal bankruptcy laws or other federal or state laws affecting creditors' rights or any proceeding shall otherwise be instituted for the purpose of effecting a composition between the Town and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted and any such proceeding shall not have been dismissed with prejudice within thirty (30) days after the institution of the same; or
- (7) a default occurs under any other Additional Covenant Debt (as defined in the Resolution) obligation of the Town secured and/or payable in the same manner as this Note (as specified in Section 9 of the Resolution) or any other loan with the Registered Owner.

Upon the occurrence and continuance of any Event of Default specified in this Note, this Note shall bear interest at the Default Rate and except with respect to (3) and (4) above, the Registered Owner of this Note may declare all payments of principal and accrued interest to be immediately due and payable, whereupon the same shall become immediately due and payable.

In addition, upon the occurrence and continuance of any Event of Default specified in herein, the Registered Owner of this Note may pursue any available remedy by suit, at law or in equity, to enforce the payment of the principal of and interest on this Note then outstanding.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

I. Jurisdiction: The laws of the State of Florida shall govern the interpretation and enforcement of this Note. In the event that legal action is instituted to

collect any amounts due under, or to enforce any provision of, this instrument, the Town consents to, and by execution hereof submit themselves to, the jurisdiction of the courts of the State of Florida, and, notwithstanding the place of residence of any of them or the place of execution of this instrument, such litigation may be brought in or transferred to a court of competent jurisdiction in and for Miami-Dade County, Florida.

J. Non-Waiver: The failure at any time of the Registered Owner to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of the Registered Owner shall be cumulative and may be pursued singly, successively or together, at the option of the Registered Owner.

K. THE REGISTERED OWNER AND THE TOWN HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THE RESOLUTION OR THIS NOTE AND ANY AGREEMENT TO BE CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR REGISTERED OWNER IN PURCHASING THIS NOTE.

This Note is and has all the qualities and incidents of, an investment security under the Uniform Commercial Code-Investment Securities Law of the State of Florida.

IN WITNESS WHEREOF, the Town of Golden Beach, Florida, has issued this Note and has caused the same to be signed by its Mayor and attested by its Town Clerk, either manually or with their facsimile signatures, and its seal to be affixed hereto or a facsimile of its seal to be reproduced hereon, all as of the Dated Date stated above.

TOWN OF GOLDEN BEACH, FLORIDA

(SEAL)

By: _____
Mayor

ATTESTED:

By: _____
Town Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ (the "Transferor") hereby sells, assigns and transfers unto _____ (the "Transferee") (PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE) _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to register the transfer of the within Note on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company

NOTICE: No transfer will be registered and no new Note will be issued in the name of the Transferee, unless the signature(s) to this assignment corresponds with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to applicable laws or regulations:

- | | | |
|-----------|--|---|
| TEN COM - | as tenants in common | UNIF GIF MIN ACT - _____,
(Cust.) |
| | | Custodian for _____,
(Minor) |
| TEN ENT - | as tenants by
the entirety | under Uniform Gifts to Minors
Act of _____.
(State) |
| JT TEN - | as joint tenants with
right of survivorship and
not as tenants in common | |

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

October 24, 2019

Maria Camacho
Town of Golden Beach
1 Golden Beach Drive
Golden Beach, FL 33160

Sent via email: mcamacho@goldenbeach.us with cc: AlexDiaz@goldenbeach.us

Ref: Town Hall Financing

Dear Ms. Camacho:

City National Bank of Florida ("Bank") is pleased to provide you with the following Term Sheet which outlines the basic terms and conditions currently being contemplated for the proposed extension of credit to the Town of Golden Beach.

Borrower: Town of Golden Beach, Florida (the "City")

Lender: City National Bank of Florida (the "Bank")

Type of Financing: Fixed Rate Bank Qualified Loan (the "Loan" or "Note")

Loan Amount: \$4,000,000.00

Purpose: The proceeds of the "Note" will be for construction of a Town Hall.

Collateral/Security: Covenant to Budget and Appropriate from all legally available non-Ad valorem revenue.

Repayment Terms: The Loan will have a 20-year term and 20-year amortization as follows:

- **Fixed:** Interest-only paid semi-annually for 30 months for construction, followed by the remainder of 10-year term fixed rate period based on a 20-year amortization.
- **Floating:** Following the 10-year term fixed rate period, the rate will change to the floating rate as per the Rate Indexing below for the remainder of the 20-year term.

Following the Interest-only period of 30 months abovementioned, repayment on annual Principal Payment Dates (beginning 12/1/22) and semi-annual Interest Payment Dates (beginning 6/1/20).

Closing: Expected November 20, 2019

Interest Rate: **Fixed:** Bank Qualified Tax Exempt (BQ) rate of currently 2.84% determined by Rate Indexing below 4 business days prior to close presumably 11/14/19.
Floating: Bank Qualified Tax Exempt (BQ) rate of currently 2.96% determined by Rate Indexing below after initial 10 year fixed rate term.

Rate Indexing:	<p><u>Fixed</u>: The rate is currently indicative and can change daily. Rate will be fixed at closing using the following formula: 10 year US Treasury Rate (currently 1.75%) plus 1.85% x (0.79 for BQ) or currently 2.84%.</p> <p><u>Floating</u>: The rate is currently indicative and can change daily. Rate will be floating after initial 10 year fixed rate term using the following formula: 10 year US Treasury Rate (currently 1.75%) plus 2.00% x (0.79 for BQ) or currently 2.96%. Rate set on a semi-annual basis following initial 10-year fixed rate term.</p>
Bank Qualification:	Borrower reasonably anticipates that the Loan will be Bank Qualified.
Pre-Payment:	The Town can pre-pay the loan at any time with no pre-payment penalty. The Town is expecting to prepay approx. \$2MM from DOJ assets recovered within 24 months of close.
Loan Fee:	None.
Authorized Signors:	Borrower's governing board shall provide Lender with its resolution or ordinance authorizing this Agreement and shall designate the Individual(s) to execute all necessary documents used therein.
Legal Opinion:	Borrower's counsel shall furnish Lender with an opinion covering the Note, the documents used herein, that the portion of payments designated as and constituting interest paid by Borrower and received by Lender is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State personal income taxes and that such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. This opinion shall be in a form and substance satisfactory to Lender.
Documentation:	Documentation will be furnished by Borrower's counsel and will be in a form and substance satisfactory to the parties. Borrower will also provide board resolutions, incumbency certificates and other documentation required by Lender.
Treatment:	The Lender intends to treat the Note as a privately placed loan versus a publicly traded security and will therefore be issued as a single obligation equal to the amount of the borrowing. The Note will not be assigned a CUSIP, registered with the DTC, feature certain transfer restrictions between bank affiliates or institutional buyers and cannot be marketed via an offering document.
Disclosure:	Lender is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and does not provide financial or tax advice.
Proposal Expiration:	November 20, 2019 unless extended by Bank

Financial Covenants: The Loan Documents will include monitored financial covenants that are customary for lending transactions of this type and appropriate in the judgment of Bank, including at a minimum:

Minimum Debt Service Coverage Ratio \geq 1.25x, tested annually.

All accounting terms used, unless otherwise defined differently herein, shall be construed in accordance with Generally Accepted Accounting Principles ("GAAP").

Credit Due Diligence: Additional information may be requested during the underwriting process. This term sheet is a summary regarding the financing transaction on the general terms and conditions outlined herein. This term sheet is not intended to and does not create any binding legal obligation on the part of either party. Credit, legal and investment approval have not yet been obtained for the amount or other aspects of the proposed financing, and after obtaining the same, any commitment will be subject to the negotiation, execution and delivery of final legal documentation acceptable to all parties and their counsel. Lender may change the terms or cease future consideration of the financing at any time without liability to Borrower. In any event, the terms and conditions of this term sheet, shall be superseded by and shall no longer be effective upon the execution and delivery of final legal documentation with respect to this proposed transaction. This term sheet does not purport to summarize all of the terms and conditions upon which the Note are to be based, which terms and conditions would be contained fully in final documentation, and indicates only the principal term and conditions under which the transaction will be considered.

Conditions Precedent to Closing:

In addition to the usual and customary conditions for lending transactions of this type, any obligation of the Bank to provide financing is subject to satisfaction of the following conditions at or prior to the Closing Date or prior to disbursement of funds as indicated on a basis satisfactory to the Bank:

1. Completion of due diligence and analysis up to the date of closing.
2. Bank receipt and satisfactory review by Banks outside legal counsel of the organizational documents of Borrower.
3. Bond counsel opinion on qualifying for tax-exempt financing.
4. Borrower's Counsel Opinion substantially in the form approved by Bank and its Counsel.
5. Subject to such other terms and conditions requested by Bank and/or its counsel.
6. Borrower to open and maintain a depository account with minimum balances of USD\$1,000,000 with Bank at close.
7. Borrower to establish and maintain its main banking services with Bank within a reasonable time after close.

Events of Default: The Loan Documents will contain Events of Default that are usual and customary for lending transactions of this type, subject to limitations and exceptions to be agreed upon, including, but not limited to, defaults based upon non-payment of

any principal, interest, fees or other charges when due under terms of the Loan Documents, misrepresentations, breach of covenants, insolvency or bankruptcy of any Borrower or Guarantor, non-compliance with law, entry of certain judgments, change of control and cross defaults with respect to other debt for borrowed money.

Bank Counsel Fees: None.

It is a pleasure to offer this financing proposal to the Town. We hope that our genuine excitement regarding the opportunity shines through in our response. As always, please don't hesitate to reach out with any questions.

Very truly yours,



Lance Aylsworth
Senior Vice President
City National Bank of Florida
lance.aylsworth@citynational.com

**Agreed to and Accepted by:
The Town of Golden Beach**

X

Authorized Signor Name:



Glenn Singson

Title of Authorized Signor

MAYOR

Date of Term Sheet Execution

10/29/19