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**LOAN AGREEMENT**

**between**

**ALACHUA COUNTY, FLORIDA**

**and**

**JPMORGAN CHASE BANK, N.A.**

**Dated as of September 24, 2020**

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This LOAN AGREEMENT made and entered as of September 24, 2020, by and between ALACHUA COUNTY, FLORIDA (the "County") and JPMORGAN CHASE BANK, N.A. (the "Lender", as more fully defined herein).

W I T N E S S E T H

WHEREAS, the County has determined that it is necessary, desirable and in the best interests of the County and its inhabitants that the County issue its \$12,500,000 Capital Improvement Revenue Bond, Series 2020C (the "Bond"), for the principal purpose of financing the cost of acquisition of certain capital facilities and the construction of certain capital improvements in and for the County, and paying costs of issuance in connection therewith (collectively, the "Project").

WHEREAS, the County has determined that it is in its best interest to accept the proposal of the Lender as set out herein.

WHEREAS, the Lender has agreed to lend the County the principal amount of \$12,500,000 in return for the Bond.

WHEREAS, the County has determined that it is in the best interest of the health, safety, and welfare of the County and the inhabitants thereof that the County covenant to budget and appropriate from its Non-Ad Valorem Revenues amounts sufficient to repay the principal of and interest on the Bond when due, as provided herein.

WHEREAS, the Bond shall not constitute a general obligation or indebtedness of the County as a "bond" within the meaning of any provision of the Constitution of the State, but shall be and is hereby declared to be a special, limited obligation of the County, the principal of and interest on which are payable solely from the Pledged Funds in the manner provided herein, and the principal of and interest on the Bond and all other payments provided for herein will be paid solely from the Pledged Funds, and it will never be necessary or authorized to levy taxes on any real property of or in the County to pay the principal of or interest on the Bond or other payments provided for herein. Furthermore, neither the Bond nor the interest thereon shall be or constitute a lien upon the Project or upon any other property of or in the County other than the Pledged Funds in the manner provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

SECTION 1. DEFINITIONS. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:

"Act" means Section 125.01, et seq., Florida Statutes, and other applicable provisions of law.

"Authorized Investments" means any obligations, deposit certificates, or other evidences of indebtedness legal for investment pursuant to law, to the extent not inconsistent with the terms of the investment policy of the County and applicable law.

"Authorized Officer" means the County Administrator or any Deputy County Administrator.

"Board" means the Board of County Commissioners of the County.

"Bond" means the Bond of the County delivered to the Lender in substantially the form attached hereto as Exhibit A, with such modifications thereto as may be approved by the Chair, upon the advice of the County Attorney, such approval to be presumed by the Chair's execution thereof.

"Business Day" means any day of the year on which banks in Gainesville, Florida are not required or authorized by law to remain closed and on which the Lender and the Paying Agent and the New York Stock Exchange, Inc. are open for business.

"Chair" means the Chair of the Board, acting on behalf of the Board, and in his absence or unavailability, the Vice-Chair of the Board, and such other person or persons as may be duly authorized to act on their behalf.

"Clerk" means the Clerk of the Board, acting on behalf of the Board, any Deputy Clerk designated by the Clerk to act on his or her behalf, or such other person or persons as may be duly authorized to act on his or her behalf.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations, procedures and rules thereunder in effect or proposed.

"Costs" means, when used in connection with the Project, shall mean (1) the County's cost of physical construction; (2) costs of acquisition by or for the County of such Project; (3) costs of land and interests therein and the cost of the County incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bond and other obligations relating to the Project during, and if advisable by the County, for up to one (1) year after the end of, the construction period of such Project; (6) engineering, legal and other consultant fees and expenses; (7) costs and expenses of the financing incurred during, and if advisable by the County, for up to one (1) year after the end of, the construction period for such Project, including audits, fees and expenses, if any; (8) costs of machinery or equipment required by the County for the commencement of operation of such Project; and (9) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles, and shall include reimbursement to the County for any such items of Cost heretofore paid by the County.

"County" means Alachua County, Florida, a political subdivision of the State of Florida.

"Covenant Debt" means all other indebtedness of the County payable from a covenant to budget and appropriate Non-Ad Valorem Revenues on the same basis as the Bond.

"Default Rate" means the Stated Rate plus 4.00%.

"Draw Request" means a request for funding a portion of the Project with proceeds of the Bond, which shall be in the form attached hereto as Exhibit B.

"Determination of Taxability" shall mean the circumstance of some or all of the interest paid or payable on the Bond becoming includable for federal income tax purposes in the gross income of the registered owners due to any act or inaction of the County or any other lessee of any portion of the Project, including, without limitation, (a) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bond is includable for federal income tax purposes in the gross income of the holder thereof, which notice or notification is not contested by either the County or any holder of such Bond, or (b) a determination by a court of competent jurisdiction that the interest payable on the Bond is includable for federal income tax purposes in the gross income of the holder thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (c) the admission in writing by the County to the effect that interest on the Bond is includable for federal income tax purposes in the gross income of the holder thereof. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which some or all of the interest on the Bond is deemed includable in the gross income of a registered owner. A Determination of Taxability shall not occur solely because such interest on the Bond is treated as an indirect tax preference item under the Code.

"Federal Securities" means direct obligations of the United States of America and obligations the principal of and interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor.

"Fiscal Year" means the period from October 1 to the succeeding September 30, or such other period as may be prescribed by law.

"Lender" means JPMorgan Chase Bank, N.A., as initial registered owner of the Bond, or its successor in interest or its assigns.

"Maturity Date" means the date or dates which the principal and interest on the Bond, or any portion thereof, shall be payable.

"Maximum Debt Service Requirement" for the Bond, any Covenant Debt, or Senior Debt shall mean, as of any particular date of calculation and with respect to any period, the amount of principal of and interest on the Bond, such Covenant Debt or Senior Debt coming due in the then current or any future period in which such sum is the greatest.

"Non-Ad Valorem Revenues" means all revenues of the County derived from any source whatsoever other than ad valorem taxation and legally available to pay principal of and interest on the Bond.

"Paying Agent" means the Clerk.

"Person" or words importing persons, means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"Pledged Funds" means, until applied in accordance with the provisions of this Loan Agreement, all moneys, including investments thereof, in the Sinking Fund established hereunder. Pledged Funds shall include all amounts transferred to the Sinking Fund as a result of the County's covenant to budget and appropriate Non-Ad Valorem Revenues contained herein.

"Project" means the planning, design, permitting and construction of an equestrian center, together with appurtenances thereto, and such additional capital improvements as approved by the Board.

"Project Fund" means the Alachua County Capital Improvement Revenue Bond, Series 2020C Project Fund established pursuant to Section 10(C) hereof.

"Rebate Fund" means the separate account created and established pursuant to Section 10(G) hereof.

"Register" means the books maintained by the Registrar in which are recorded the name and address of the holder of the Bond.

"Registrar" means the Person maintaining the Register. The Registrar shall be the Clerk.

"Resolution" means Resolution No. 2020-102, adopted by the Board on September 22, 2020.

"Senior Debt" shall mean any debt of the County secured by a lien on or a pledge of any specific source of Non-Ad Valorem Revenues.

"Sinking Fund" means the fund created and established pursuant to Section 10(E) hereof.

"State" means the State of Florida.

"Stated Rate" shall mean 1.45%, subject to adjustment as provided in Section 4(D) hereof.

**SECTION 2. INTERPRETATION.** Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

**SECTION 3. THE LOAN.** The Lender hereby makes and the County hereby accepts the loan in the principal amount of \$12,500,000 upon the terms and conditions herein.

SECTION 4. DESCRIPTION OF BOND. (A) The loan shall be evidenced by the Bond. The Bond shall be dated as of the date of initial delivery thereof; shall mature on August 1, 2030, shall be in registered form; and shall bear interest from the date of each draw thereon in accordance with the terms hereof until payment of the principal amount thereof, at the applicable Stated Rate. Interest on the Bond shall be payable on each February 1 and August 1, commencing February 1, 2021, and at the maturity of the Bond, calculated on a basis of 360 days comprised of twelve, 30-day months. Principal shall be paid each August 1, commencing on August 1, 2022, in the amounts set forth in the form of Bond attached hereto as Exhibit A.

(B) The Bond is subject to prepayment prior to maturity, at the option of the County and with five Business Days' prior written notice to the Lender, in whole or in part at any time, upon payment of a prepayment price equal to 100% of the outstanding par amount of the Bond prepaid, plus accrued interest to the prepayment date, plus a fee calculated as described in paragraph (C) below.

(C) In consideration of the Lender offering the County a fixed rate of interest on the Bond, the County agrees that if the County prepays all or any portion of the principal balance of the Bond prior to any scheduled payment due date and/or the stated maturity date set forth above (whether by acceleration, prepayment or otherwise) the County agrees to pay the Lender, on the date of such prepayment a premium (the "Premium"). For purposes of the foregoing, the term "Premium" shall mean the sum of the differences between (a) each scheduled interest payment which would have been made on the redeemed amount if such redemption had not occurred and (b) the corresponding fixed-rate interest payment which would be received under an interest rate swap which the Lender shall be deemed to have entered into as of the date of such redemption (the "Replacement Swap") covering its payment obligations under an interest rate swap which the Lender shall be deemed to have entered into when the redeemed amount was originally funded, with each such difference discounted to a present value as of the date of redemption using the fixed interest rate of the Replacement Swap as the applicable discount rate; provided, that if the above calculation provides a negative number, the Premium shall be zero. The County acknowledges that the Lender might not fund or hedge its fixed-rate loan portfolio or any redemption thereof on a loan-by-loan basis at all times, and agrees that the foregoing is a reasonable and appropriate method of calculating liquidated damages for any redemption irrespective of whether any of the foregoing hedging transactions have in fact occurred or occurred precisely as stated with respect to the loan evidenced by the Bond. All calculations and determinations by the Lender of the amounts payable pursuant to the preceding provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

(D) In the event of a Determination of Taxability, the interest rate on the Bond shall be adjusted to a rate per annum determined by the Lender to provide the equivalent yield to said Lender (the "Taxable Rate"), effective retroactively to the date on which such Determination of Taxability was made. In addition, the owner of the Bond or any former owners of such Bond, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States of America by the owner of the Bond or any former owners of such Bond as a result of such Determination of Taxability. All such



additional interest, additions to tax, penalties and interest shall be paid by the County within sixty (60) days following the Determination of Taxability and demand by the owner.

In the alternative, in the event that interest on the Bond during any period becomes partially taxable as a result of a Determination of Taxability applicable to less than all of such Bond, then the interest rate on such Bond shall be increased during such period by an amount equal to:  $(A-B) \times C$  where:

- (A) "A" equals the Taxable Rate (expressed as a percentage);
- (B) "B" equals the interest rate on such Bond (expressed as a percentage); and
- (C) "C" equals the portion of such Bond the interest on which has become taxable as the result of such tax change (expressed as a decimal).

In addition, the owner of the Bond or any former owners of such Bond, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the owner of the Bond or any former owners of such Bond as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the County within sixty (60) days following the Determination of Taxability and demand by the owner.

**SECTION 5. EXECUTION OF BOND.** The Bond shall be executed in the name of the County by the Chair, and attested and countersigned by the Clerk, and its official seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Bond may be signed and sealed on behalf of the County by any person who at the actual time of the execution of such Bond shall hold such office in the County, although at the date of such Bond such person may not have been so authorized. The Bond may be executed by the facsimile signatures of the Chair or Clerk.

**SECTION 6. REGISTRATION AND TRANSFER OF BOND.** The Bond shall be and shall have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and each registered owner, in accepting the Bond, shall be conclusively deemed to have agreed that such Bond shall be and have all of the qualities and incidents of negotiable instruments thereunder.

There shall be a Registrar who shall be responsible for maintaining the Register. The person in whose name ownership of the Bond is shown on the Register shall be deemed the owner thereof by the County and the Registrar, and any notice to the contrary shall not be binding upon the County or the Registrar. The County and the Registrar may treat the registered owner as the absolute owner of each Bond for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

Ownership of the Bond may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of any Bond or portion thereof accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the registered owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the

registered owner or the transferee or transferees, as the case may be, a new fully registered Bond of the same series, maturity and interest rate and for the aggregate principal amount as the Bond surrendered. The Bond may not be transferred except in whole to a Permitted Lender. A "Permitted Lender" shall mean any affiliate of the Lender or any bank, trust company, savings institution, finance or leasing company, "accredited investor" or "qualified institutional buyer" pursuant to Rule 144A promulgated under the Securities Act of 1933, or insurance company that is engaged as a regular part of its business in making loans and is authorized to do business in the State. Notwithstanding the foregoing, the Lender may sell participations in the Bond to any number of participants. The Lender may, at its option, disclose information and share fees with any permitted assignee hereunder or any participants.

Any Bond presented for transfer, exchange, redemption or payment (if so required by the County or the Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the County or the Registrar, duly executed by the registered owner or by his duly authorized attorney.

The Registrar or the County may require payment from the registered owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto by any governmental body other than the County. Such charges and expenses shall be paid before any such new Bond shall be delivered.

Each new Bond delivered upon any transfer or exchange shall be a valid obligation of the County, evidencing the same debt as the Bond surrendered, shall be secured under this Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

Whenever any Bond shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Bond shall be canceled and destroyed by the Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the County.

**SECTION 7. BOND MUTILATED, DESTROYED, STOLEN OR LOST.** In case any Bond shall be mutilated, or be destroyed, stolen or lost, upon the registered owner furnishing the Registrar proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the County may prescribe and paying such expenses as the County may incur, the Registrar shall issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Bond, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Bond, upon surrender of such mutilated Bond, if any, to the Registrar and the cancellation thereof; *provided, however*, if the Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the County may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof. Any Bond surrendered under the terms of this Section 7 shall be canceled by the Registrar.

Any such duplicate Bond issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the County whether or not, as to the duplicate Bond,

the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the special funds, as hereinafter pledged, to the same extent as the other Bond issued hereunder.

SECTION 8. FORM OF BOND. The Bond shall be in substantially the form of Exhibit A hereto, with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Agreement.

SECTION 9. SECURITY FOR BOND; BOND NOT DEBT OF THE COUNTY. The payment of the principal of and interest on the Bond shall be secured forthwith, by a lien upon and a pledge of the Pledged Funds. Until the Bond is paid or deemed paid pursuant to the provisions of this Agreement, the County hereby covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to pay the principal and interest on the Bond until the maturity thereof. Such covenant and agreement on the part of the County to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the County, the County does not covenant to maintain any services or programs, now provided or maintained by the County, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the County from pledging in the future its Non-Ad Valorem Revenues, nor does it require the County to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the registered owner of the Bond a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the County. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of principal and interest on the Bond, in the manner described herein, Non-Ad Valorem Revenues and placing on the County a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the County or which are legally mandated by applicable law. The County agrees that its covenant and agreement to budget and appropriate Non-Ad Valorem Revenues shall be deemed entered into for the benefit of the Lender, and this obligation may be enforced by a court of competent jurisdiction.

The Bond shall not constitute a general obligation or indebtedness of the County, and the Lender shall never have the right to require or compel the levy of taxes upon any property of or in the County for the payment of the principal of and interest on the Bond. The County does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Bond.

SECTION 10. COVENANTS OF THE COUNTY. So long as any of the principal of or interest on the Bond shall be outstanding and unpaid or until provision for payment of the Bond shall have been made pursuant to Section 19 hereof, the County covenants with the Lender as follows:

A. Financial Statements. Not later than 270 days following the end of each Fiscal Year, the County shall provide the Lender (in electronic format, if available) the annual audited financial statements of the County audited by the County's certified public accountants, together with the report of such accountants containing only such qualifications as are reasonably acceptable to the Lender. Upon the request of the Lender, the County shall also provide the Lender with a certificate that no Event of Default has occurred and is continuing hereunder, and that the County is in compliance with all covenants on its part set forth herein.

B. Annual Budget and Other Information. The County shall prepare its annual budget in accordance with Florida law, and shall provide the registered owner of the Bond a copy of its final annual budget for each Fiscal Year within 60 days of adoption thereof by the Board, together with such other information the registered owner of the Bond may reasonably request.

C. Project Fund. The County covenants and agrees to establish a separate fund, to be known as the "Alachua County Capital Improvement Revenue Bond, Series 2020C Project Fund," which shall be used only for payment of the Costs of the Project. Moneys in the Project Fund, until applied in payment of any item of the Cost of the Project in the manner hereinafter provided, shall be held in trust by the County and shall be subject to a lien and charge in favor of the Lender and for the further security of the Lender.

The County covenants that the acquisition, construction and installation of the Project will be completed without delay and in accordance with sound engineering practices.

Proceeds of the Bond may be drawn from time to time, but not more often than once per month, by submittal to the Lender of a Draw Request in the form attached as Exhibit B hereto. In the event the full amount shall not be drawn by September 24, 2021, the remaining amount shall be drawn on such date and deposited into the Project Fund.

Notwithstanding any of the other provisions of this Section 10(C), to the extent that other moneys are not available therefor, amounts in the Project Fund shall be applied to the payment of principal and interest on the Bond when due.

The date of completion of the Project shall be determined by the County Administrator, who shall certify such fact in writing to the Board. Promptly after the date of the completion of the Project, and after paying or making provisions for the payment of all unpaid items of the Cost of such Project, the County shall deposit any balance of moneys remaining in the Project Fund in such other fund or account as shall be determined by the Board, subject to receipt of an opinion of bond counsel that the same doesn't adversely impact the tax status of the Bond.

D. Sinking Fund. The County hereby creates and establishes a special separate fund to be called the "Alachua County, Florida Capital Improvement Revenue Bond, Series 2020C Sinking Fund" (hereinafter called the "Sinking Fund").

On or before the Business Day prior to each date fixed for the payment of principal or interest on the Bond, the County shall deposit from Non-Ad Valorem Revenues budgeted and appropriated pursuant to the covenant contained herein to the Sinking Fund the amounts sufficient to pay the interest and principal becoming due on the Bond on the next payment date therefor.

The amounts remaining on deposit in the Sinking Fund on the day following the respective interest or principal payment may be withdrawn by the County and applied for other County purposes. In no event shall any moneys remain on deposit in the Sinking Fund for a period greater than 13 months.

Amounts on deposit in the Sinking Fund may be invested and reinvested by the County in Authorized Investments maturing or redeemable at the option of the County not later than the date such amounts are needed for the payments required hereunder.

Except to the extent otherwise required by any provision hereof or of any tax compliance certificate delivered in connection with the delivery of the Bond, all income from the investment of moneys in the funds and accounts established by this Agreement shall, upon receipt thereof, be deposited to the credit of the Sinking Fund and used for the purposes thereof.

The designation of a special fund by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly used and defined in governmental accounting, but is intended solely to constitute an earmarking of certain moneys and investments for certain purposes and to establish certain priorities for application of such moneys and investments as herein provided. The moneys and investments required to be accounted for in the foregoing funds established herein may be deposited in a single fund or account, provided that adequate accounting records are maintained to reflect the allocation of the moneys and investments on deposit therein into the funds established hereunder and to control the restricted uses of such moneys and investments for the various purposes as herein provided.

The County shall not be required to make any further payments into the Sinking Fund when the aggregate amount of money and Authorized Investments in said Fund is at least equal to the total principal of and interest on the Bond then outstanding.

E. Issuance of Other Obligations. Except for the Bond, the County will not issue any other obligations payable from the Non-Ad Valorem Revenues nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge against the Non-Ad Valorem Revenues, or any part thereof, except as set out below.

No additional indebtedness payable from or secured by Non-Ad Valorem Revenues shall be issued by the County unless the actual receipts of Total Governmental Funds of the County (as specified in the County's audited financial statements) for the prior Fiscal Year, less ad valorem revenues, less Non-Ad Valorem Revenues from Total Governmental Funds pledged to secure Senior Debt, and less the amount required to pay for Essential Services of the County for the prior Fiscal Year equal at least 150% of such maximum annual debt service on all Debt payable from such Non-Ad Valorem Revenues. "Debt" is defined as on any date (without duplication) all of the

following to the extent that they are obligations of the County or are payable in whole or in part from Non-Ad Valorem Revenues: (i) all obligations of the County for borrowed money evidenced by bonds, debentures, or other similar instruments, including the additional indebtedness proposed to be issued; (ii) all obligations of the County to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (iii) all obligations of the County as lessee under capitalized leases; and (iv) all indebtedness of other Persons to the extent guaranteed by, or secured by, Non-Ad Valorem Revenues of the County. For purposes of this covenant, "Essential Services" are those services identified by the County in its annual audit as general government and public safety expenditures from Total Governmental Funds, less expenditures paid from ad valorem revenues.

F. Payment of Costs. The County will pay to the Lender on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Lender at all levels of the proceeding and whether incurred in connection with collection, bankruptcy proceedings, trial, appeal or otherwise, in connection with enforcement of its rights hereunder.

G. Rebate Fund. The County agrees to establish a separate fund to be known as the "Rebate Fund" to be held for the purposes described in this paragraph. Amounts on deposit in the Rebate Fund shall be held in trust by the County and used solely to make required rebates to the United States, and the Lender shall have no right to have the same applied for debt service on the Bond. The County agrees to undertake all actions required of it in its Certificate as to Arbitrage and Certain Other Tax Matters, dated the date of issuance of the Bond, relating to the Bond, as well as any successor Certificate thereto, including, but not limited to:

- (i) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;
- (ii) depositing the amount determined in clause (A) above in the Rebate Fund;
- (iii) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the County such amounts as shall be required by the Code to be rebated to the United States Treasury; and
- (iv) keeping such records of the determinations made pursuant to this Section 4.05 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with "gross proceeds" of the Bond (as defined in the Code).

The provisions of the above-described Certificate as to Arbitrage and Certain Other Tax Matters may be amended from time to time as shall be necessary, in the opinion of bond counsel, to comply with the provisions of the Code.

H. Federal Income Tax Covenants. The County covenants with the holders of the Bond that it shall not use the proceeds of such Bond in any manner which would cause the interest thereon to be included in gross income for purposes of federal income taxation, to the extent not otherwise included therein on the date of issuance of the Bond.

The County covenants with the holders of the Bond that neither the County nor any Person under its control or direction will make any use of the proceeds of such Bond (or amounts deemed to be proceeds under the Code) in any manner which would cause such Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, and neither the County nor any other Person shall do any act or fail to do any act which would cause the interest on such Bond to be included in gross income for purposes of federal income taxation.

The County hereby covenants with the holders of the Bond that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bond from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the United States Treasury pursuant to the Code.

Notwithstanding any other provision of this Agreement, the obligation of the County to pay the rebates to the United States of America as provided in paragraph (G) above and to comply with the requirements of this paragraph (H) shall survive the defeasance and payment in full of the Bond.

SECTION 11. APPLICATION OF BOND PROCEEDS. The proceeds of the Bond will be applied as drawn down pursuant to the terms hereof.

SECTION 12. CONDITIONS PRECEDENT. The obligation of the Lender to make the disbursement of proceeds of the Bond is subject to the satisfaction of each of the following conditions precedent on or before the closing date:

A. Action. The Lender shall have received copies of all action taken by the County approving the execution and delivery by the County of this Agreement and the financing documents to which the County is a party, in each case certified as complete and correct as of the closing date.

B. Incumbency of Officers. The Lender shall have received an incumbency certificate of the County in respect of each of the officers who is authorized to sign this Agreement and the financing documents to which it is a party on behalf of the County.

C. Opinion of Counsel to the County. The Lender shall have received a written opinion of counsel to the County covering matters relating to the transactions contemplated by this Agreement and the financing documents, in form and substance satisfactory to the Lender.

D. Opinion of Bond Counsel. The Lender shall have received a letter from bond counsel authorizing the Lender to rely on its approving opinion given to the County in respect of the Bond, in form and substance satisfactory to the Lender. The opinion shall, at a minimum, address (i) the enforceability of the Resolution and this Agreement, (ii) that this Agreement and the Bond create a valid lien on the Pledged Funds in accordance with their terms, and (iii) that interest on the Bond is excluded from gross income for purposes of federal income taxation.

E. No Default, Etc. No Default shall have occurred and be continuing as of the closing date or will result from the execution and delivery of this Agreement; the representations

and warranties made by the County shall be true and correct in all material respects on and as of the closing date, as if made on and as of such date; and the Lender shall have received a certificate from the County to the foregoing effect.

F. Tax Certificates. The Lender shall have received the County's Certificate as to Arbitrage and Certain Other Tax Matters, and its IRS Form 8038-G with respect to the Bond.

G. Anti-Dilution Certificate. The Lender shall have received evidence of compliance with the anti-dilution test contained in documents securing other Covenant Debt.

H. Other Documents. The Lender shall have received such other documents, certificates and opinions as the Lender or its counsel shall have reasonably requested.

SECTION 13. REPRESENTATIONS AND WARRANTIES. The County represents and warrants to the Lender that:

A. Organization. The County is a political subdivision of the State of Florida.

B. Authorization of Agreement and Related Documents. The County has the power and has taken all necessary action to authorize the execution, delivery and performance of the County's obligations under this Agreement and each of the financing documents to which it is a party, in accordance with its respective terms. This Agreement has been duly executed and delivered by the County and is, and each of the financing documents to which it is a party when executed and delivered will be, legal, valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization or moratorium applicable to the County and general equitable principles regarding the availability of specific performance.

C. Non-Ad Valorem Revenues. The County currently receives the Non-Ad Valorem Revenues, and is legally entitled to covenant to budget and appropriate from such Non-Ad Valorem Revenues sufficient amounts in each Fiscal Year to pay the principal of and interest on the Bond, when due, subject to any prior liens or encumbrances on such Non-Ad Valorem Revenues, whether now existing or hereafter created. The Non-Ad Valorem Revenues are estimated to be sufficient to pay the principal of and interest on the Bond as the same becomes due, and to make all other payments required to be made from such Non-Ad Valorem Revenues by the terms of this Agreement or other instruments to which the County is a party or pursuant to which all or any portion of the Non-Ad Valorem Revenues may be obligated.

D. Financial Statements. The financial statements of the County for the year ended September 30, 2019, copies of which have been furnished to the Lender, have been prepared in accordance with generally accepted accounting principles and present fairly the financial condition of the County as of such date and the results of its operations for the period then ended. Since such date, there has been no material adverse change in the financial condition, revenues (including, without limitation, Non-Ad Valorem Revenues), properties or operations of the County.



SECTION 14. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

County: Alachua County, Florida  
12 S.E. First Street, 2<sup>nd</sup> Floor  
Gainesville, Florida 32601  
Attention: Clerk

Lender: JPMorgan Chase Bank, N.A.  
450 S. Orange Avenue, Floor 10  
Orlando, Florida 32801

Either of the above parties may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Communication to the Lender via electronic means shall be confirmed by delivery of a hard copy thereof to the Lender not later than two Business Days after such communication by electronic means. Notices to the Paying Agent shall be effective only upon the receipt thereof by the Paying Agent.

SECTION 15. EVENTS OF DEFAULT DEFINED. The following shall be "Events of Default" under this Agreement, and the term "Events of Default" shall mean (except where the context clearly indicates otherwise), whenever such term is used in this Agreement, any one or more of the following events:

- A. Failure by the County to timely pay any amount due hereunder;
- B. Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of 30 days after written notice, except to the extent some other grace period shall be provided in regard to a covenant, specifying such failure and requesting that it be remedied, is given to the County by the Lender, unless the Lender shall agree in writing to an extension of such time prior to its expiration;
- C. Any warranty, representation or other statement by the County or by an officer or agent of the County contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material adverse respect;
- D. A petition is filed against the County under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and an order for relief is entered or such petition is not dismissed within 60 days of such filing;
- E. The County files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

F. The County admits insolvency or bankruptcy or its inability to pay its debts as they become due, or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the County or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 60 days; or

G. Any debt of or assumed by the County (i) is not paid when due nor within any applicable grace period in any agreement or instrument relating to such debt, (ii) becomes due and payable before its normal maturity by reason of a default or event of default or acceleration, however described, or (iii) becomes subject to a moratorium.

SECTION 16. REMEDIES. The Lender may sue to protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, of the United States of America, or granted and contained in this Agreement, and to enforce and compel the performance of all duties required by this Agreement or by any applicable laws to be performed by the County, the Board or by any officer thereof, and may take all steps to enforce this Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America. Notwithstanding the foregoing, the declaration of all payments of principal and interest on the Bond to be immediately due and payable is not a remedy except upon the occurrence of an Event of Default described in Section 15(A) hereof. The Lender may recover from the County all expenses incurred in pursuing any allowable remedy hereunder, including without limitation reasonable attorneys' fees at all levels of proceedings, whether incurred in connection with collection, bankruptcy proceedings, at trial, appeal or otherwise. Upon the occurrence and during the continuance of an Event of Default, the Bond shall bear interest at the Default Rate.

SECTION 17. NO RECOURSE. No recourse shall be had for the payment of the principal of and interest on the Bond or for any claim based on the Bond or on this Agreement, against any present or former member or officer of the Board or any person executing the Bond.

SECTION 18. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. 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, as provided in this Agreement, 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 Agreement.

SECTION 19. DEFEASANCE. If, at any time, the County shall have paid, or shall have made provision for payment of, the principal and interest with respect to the Bond and all costs and expenses of the Lender payable under this Agreement, then, and in that event, the pledge of and lien on the Pledged Funds in favor of the Lender shall be no longer in effect and the County shall have no further obligation to comply with the covenants contained in Section 10 hereof (other than Section 10(H)). For purposes of the preceding sentence, deposit of Federal Securities in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bond, with respect to which Federal Securities the principal of and interest will be sufficient to make timely payment of the principal and interest on the Bond, shall be considered "provision for payment."

SECTION 20. WAIVER OF JURY TRIAL. With respect to any suit or action between the County and the Lender relating to the Bond or this Agreement or any other aspect of the transaction between the County and the Lender, the County and the Lender each expressly waives any right to a jury trial, and agrees that the exclusive venue for any such suit or action shall be Alachua County, Florida.

SECTION 21. AMENDMENTS, CHANGES AND MODIFICATIONS. This Agreement may be amended by the County, with the prior written consent of the Lender.

SECTION 22. BINDING EFFECT. To the extent provided herein, this Agreement shall be binding upon the County and the Lender and shall inure to the benefit of the County and the Lender and their respective successors and assigns.

SECTION 23. SEVERABILITY. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 24. EXECUTION IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 25. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

BOARD OF COUNTY COMMISSIONERS  
ALACHUA COUNTY, FLORIDA

\_\_\_\_\_  
Robert Hutchinson  
Its: Chair

ATTEST:

\_\_\_\_\_  
J.K. "Jess" Irby, Esq.  
Its: Ex-Officio Clerk

JPMORGAN CHASE BANK, N.A.

By: \_\_\_\_\_  
Name: Mark R. Wagner  
Title: Authorized Officer

**EXHIBIT A**  
**FORM OF BOND**

No. R-1

ALACHUA COUNTY, FLORIDA  
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2020C

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
1.45%*	August 1, 2030	September 24, 2020

REGISTERED OWNER: JPMORGAN CHASE BANK, N.A.

PRINCIPAL AMOUNT: TWELVE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that Alachua County, Florida (the "County"), for value received, hereby promises to pay to the Registered Owner on the Maturity Date specified above the principal amount then outstanding pursuant to the terms of that certain Loan Agreement, dated as of September 24, 2020, between the County and the Registered Owner (the "Agreement"), plus interest on the unpaid balance thereof from the respective dates draws are made on the proceeds hereof to the date of payment thereof, at the Rate of Interest until payment of the Principal Amount above stated, such interest to be calculated on a 360-day year comprised of twelve 30-day months. The Rate of Interest is subject to adjustment as set forth in the Agreement, including to a Default Rate upon the occurrence and during the continuance of an Event of Default under the Agreement. Interest on the Bond shall be payable on each February 1 and August 1, commencing February 1, 2021, and at the maturity of the Bond. Principal due on this Bond shall be paid each August 1, commencing August 1, 2022, in the amounts set forth below:

<u>Year (August 1)</u>	<u>Amount</u>
2022	\$1,315,000
2023	1,330,000
2024	1,350,000
2025	1,370,000
2026	1,390,000
2027	1,410,000
2028	1,425,000
2029	1,445,000
2030	1,465,000

Capitalized terms used but not defined herein are used as defined in the Agreement.

This Bond may be prepaid in whole or in part prior to maturity upon five (5) Business Days' prior written notice to the Registered Owner and upon payment of the prepayment price of

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\*Subject to adjustment as set forth in the Agreement.

the par amount thereof prepaid, plus accrued interest to the date of prepayment, plus the premium set forth in the Agreement.

This Bond is issued under the authority of Chapter 125, Florida Statutes, as amended, and other applicable provisions of law, and pursuant and subject to the terms and conditions of the Agreement and the Resolution duly adopted by the Board of County Commissioners of the County on September 22, 2020 (the "Resolution"), to which reference should be made to ascertain those terms and conditions. Principal of and interest hereon shall be paid by check or draft of the County. Presentment of this Bond shall not be required. After the final payment hereon is made, the Registered Owner agrees to return this Bond to the County for cancellation.

Subject to the limitations and restriction set forth in the Agreement, the County has covenanted in the Agreement to budget and appropriate in each Fiscal Year while this Bond is outstanding sufficient amounts, from legally available Non-Ad Valorem Revenues, to pay the principal of and interest on this Bond during such Fiscal Year, as more particularly provided in the Agreement.

This Bond shall not constitute a general obligation or indebtedness of the County, and the Lender shall never have the right to require or compel the levy of taxes on any property of or in the County for the payment of the principal of and interest on this Bond. This Bond shall not constitute a lien upon the Project (as defined in the Agreement), or upon any property of or in the County, but shall be payable solely from the Pledged Funds in the manner provided in the Agreement. Reference is made to the Agreement for the provisions relating to the security for payment of this Bond, the remedies of the Registered Owner in the case of an Event of Default and the duties and obligations of the County hereunder.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to happen, exist and be performed precedent to and in the issuance of this Bond, have happened, exist and have been performed in regular and due form and time as so required.

IN WITNESS WHEREOF, the Board of County Commissioners of Alachua County, Florida, has caused this Bond to be executed by its Chair, and attested by its Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, and this Bond to be dated September 24, 2020.

**BOARD OF COUNTY COMMISSIONERS  
ALACHUA COUNTY, FLORIDA**

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Robert Hutchinson

Its: Chair

ATTEST:

---

J.K. "Jess" Irby, Esq.

Its: Ex-Officio Clerk

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

TEN COM - as tenants in common

JT TEN - as joint tenants with right of survivorship

TEN ENT - as tenants by the entireties and not as tenants in common

UNIF GIF MIN ACT - \_\_\_\_\_ UNIF TRANS MIN ACT - \_\_\_\_\_ (Cust.)

Custodian for \_\_\_\_\_ Custodian for \_\_\_\_\_  
(Minor)

under Uniform Gifts to Minor under Uniform Transfers to

Minors Act of \_\_\_\_\_ Minors Act of \_\_\_\_\_  
(State)

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



ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

\_\_\_\_\_  
PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING  
NUMBER OF ASSIGNEE the within Bond and does hereby irrevocably constitute and appoint

\_\_\_\_\_  
\_\_\_\_\_ as his agent to transfer the Bond on the books kept for registration thereof, with full  
power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_  
NOTICE: Signature must be guaranteed by  
an institution which is a participant in the  
Securities Transfer Agent Medallion  
Program (STAMP) or similar program.

\_\_\_\_\_  
NOTICE: The signature to this assignment must  
correspond with the name of the Registered  
Owner as it appears upon the face of the within  
Bond in every particular, without alternation or  
enlargement or change whatever.

\_\_\_\_\_  
(Authorized Officer)

**EXHIBIT B**

**DRAW CERTIFICATE**

**\$12,500,000**

**Alachua County, Florida**

**Capital Improvement Revenue Bond, Series 2020C**

Dated: \_\_\_\_\_

Draw No. \_\_\_\_

This Draw Certificate is made pursuant to Section 10(C) of the Loan Agreement by and between Alachua County, Florida (the "County") and JPMorgan Chase Bank, N.A. (the "Loan Agreement") dated as of September 24, 2020, to pay a portion of the Costs of the Project. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

The Draw is for the principal amount of \$\_\_\_\_\_ for the following qualified Costs of the Project: \_\_\_\_\_.

Such amounts shall be paid to \_\_\_\_\_. The principal amount of the Bond related to such Draw shall bear interest from the date hereof.

Based upon the certification below, the obligation for which such payment was requested was properly incurred, is a proper charge against the Project Fund established under the Loan Agreement and has not been the basis of a previous withdrawal. The amount to be paid is presently due and payable or has been previously paid by the County.

The County hereby certifies that:

(a) it is not on the date hereof, and will not hereafter be, in default of and hereby confirms the representations, warranties and covenants of the County contained in the Loan Agreement;

(b) all conditions of the Loan Agreement to the disbursement of the funds hereby requested have been fulfilled, and no Event of Default or any other event which, with the passage of time or notice would constitute an Event of Default, has occurred or exists as of the date hereof under the Loan Agreement;

(c) the labor, service and/or materials covered hereby have been performed upon or furnished in connection with the Project, the amount requisitioned is due and unpaid, and the amount to be paid is a proper charge against or deposit to the Project Fund established under the Loan Agreement;

(d) to its knowledge, no default and no event or condition which, with the passage of time or the giving of notice, or both, would constitute a default under the construction contract for the Project, has occurred or exists as of the date hereof;

(e) the funds hereby requested for construction costs, together with funds previously requested, will be sufficient to pay all sums payable to date for any labor, materials and services furnished in connection with construction of the Project; and

(f) all amounts previously disbursed for labor, services and/or materials pursuant to previous requisition requests have been paid to the parties entitled thereto with the proper designation of contract and account for which payment was made.

ALACHUA COUNTY, FLORIDA,

By: \_\_\_\_\_  
Todd Hutchison  
Finance Director