

**PROMISSORY NOTE BETWEEN THE CITY OF EUSTIS GENERAL FUND AND THE  
CITY OF EUSTIS STORMWATER UTILITY FUND**

**Date of Execution: April 16, 2026**  
**Principal Amount: \$174,810.00**  
**Interest Rate: 2.875% per annum (simple interest)**

**THIS PROMISSORY NOTE** is entered into by and between the City of Eustis General Fund, a governmental fund of the City of Eustis, Florida ("Lender"), and the City of Eustis Stormwater Utility Fund, a Special Revenue Fund of the City of Eustis, ("Borrower"), and sets forth the terms of an intergovernmental loan as authorized by Florida law.

**RECITALS**

**WHEREAS**, on October 26, 2025, the City of Eustis experienced a significant rainfall event that has been deemed a 1,000 Year Flood; and

**WHEREAS**, as a result of this rainfall and subsequent flooding, significant damage occurred to City infrastructure to include the City's stormwater system; and

**WHEREAS**, on December 31, 2025, the City received an invoice in the amount of \$174,810.00 for repairs to a culvert crossing at 509 Pine Lane; and

**WHEREAS**, the City's Stormwater Utility Fund does not have adequate funds to pay for the repairs; and

**WHEREAS**, it is necessary for the City's General Fund to loan the City's Stormwater Fund necessary funding to pay for the culvert repair; and

**WHEREAS**, the Borrower desires internal financing from the Lender and the Lender has agreed to extend such funds in furtherance of a valid public purpose; and

**WHEREAS**, both parties recognize and agree that this Note constitutes a lawful intergovernmental loan consistent with Section 163.370, Florida Statutes, and does not constitute a gift, donation, or lending of credit prohibited by Article VII, Section 10, Florida Constitution.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

**1. LOAN TERMS**

- 1.1 Loan Amount and Disbursement. The Lender has disbursed to Borrower the principal amount of One Hundred Seventy-Four Thousand Eight Hundred Ten and 00/100 Dollars (\$174,810.00) on or about March 2, 2026.

- 1.2 Interest Rate. Interest shall accrue on the unpaid principal balance at the rate of 2.875% per annum, calculated on the basis of a 360-day year.
- 1.3 Repayment Schedule. Borrower shall repay the loan in monthly installments of \$1,677.91, commencing on May 2, 2026 and continuing on the 2nd day of each month thereafter. Final payment shall be due no later than May 2, 2036.
- 1.4 Prepayment. Borrower may prepay all or any portion of the outstanding balance without penalty.

## 2. DEFAULT

- 2.1 Events of Default. A default shall occur if: (a) Borrower fails to make any payment within thirty (30) days of the due date; (b) Borrower ceases to exist or is lawfully dissolved; (c) Borrower expends loan funds for purposes inconsistent with the Stormwater Utility Fund.
- 2.2 Remedies. Upon default, the Lender may: (a) Declare the unpaid balance immediately due and payable; (b) Request the City Commission consider restructuring or other remedies in accordance with law.
- 2.3 Non-Waiver. Lender's failure to exercise any remedy shall not constitute a waiver.

## 3. SECURITY AND SOURCE OF PAYMENT

- 3.1 This Promissory Note is a general obligation of the Borrower, payable from legally available stormwater utility revenues or other lawfully appropriated funds.
- 3.2 The Note is not secured by any lien on specific property, nor shall the Lender have recourse against the City of Eustis beyond the General Fund advance herein.

## 4. GENERAL TERMS

- 4.1 Governing Law. This Note shall be governed by the laws of the State of Florida.
- 4.2 Amendments. Any amendment must be in writing and signed by both parties.
- 4.3 No Waiver of Sovereign Immunity. Nothing in this Note shall be construed as a waiver of either party's sovereign immunity under Section 768.28, Florida Statutes.
- 4.4 Public Purpose Affirmation. Both parties affirm this loan is for a public purpose and consistent with the CRA Plan adopted under Section 163.360, Florida Statutes.

**IN WITNESS WHEREOF**, the parties have executed this Promissory Note as of the date first written above.

**BORROWER:**

**LENDER:**

City of Eustis Stormwater Utility Fund

City of Eustis General Fund

By: \_\_\_\_\_  
Greg Dobbins, Public Works Director

By: \_\_\_\_\_  
Rick Gierok, Interim City Manager

**ATTEST:**

\_\_\_\_\_  
Christine Halloran, City Clerk, Witness