EXHIBIT A

PROMISSORY NOTE BETWEEN THE CITY OF EUSTIS GENERAL FUND AND THE EUSTIS DOWNTOWN & EAST TOWN REDEVELOPMENT AGENCY

Date of Execution: October 23, 2025
Principal Amount: $2,415,777.15
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 Eustis Downtown & East Town Redevelopment Agency, a public body corporate and politic created pursuant to Chapter 163, Part III, Florida Statutes ("Borrower"), and sets forth the terms of an intergovernmental loan as authorized by Florida law.

RECITALS

WHEREAS, on or about September 20, 2020, the Borrower obtained external financing from United Southern Bank in the amount of $3,000,000.00 for the acquisition of certain downtown properties known as the "Waterman Site" in furtherance of the adopted Community Redevelopment Plan; and

WHEREAS, said external financing matured on September 4, 2025, and required a balloon payment of $2,415,777.15; and

WHEREAS, the Borrower has requested internal financing from the City of Eustis General Fund to satisfy the balloon obligation, 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 <u>Loan Amount and Disbursement</u>. The Lender has disbursed to Borrower the principal amount of Two Million Four Hundred Fifteen Thousand Seven Hundred Seventy-Seven and 15/100 Dollars ($2,415,777.15) on or about September 4, 2025.

1.2 <u>Interest Rate</u>. 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 $16,538.07, commencing on October 27, 2025, and continuing on the 27th day of each month thereafter. Final payment shall be due no later than September 27, 2040.

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 Community Redevelopment Plan or applicable law.

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 tax increment 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:
Eustis Downtown & East Town Redevelopment Agency	City of Eustis General Fund
By:___________________________	By: _________________________
Al Latimer, Economic Development Director	Tom Carrino, City Manager

ATTEST:

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Christine Halloran, City Clerk, Witness