

LOAN AGREEMENT

between

CITY OF GREEN COVE SPRINGS, FLORIDA

and

KEY GOVERNMENT FINANCE, INC.

Dated June 21, 2021

Relating to

\$9,800,000

City of Green Cove Springs, Florida
Electric Utility Refunding Revenue Note, Series 2021

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. DEFINITIONS.....	2
SECTION 2. INTERPRETATION.....	5
SECTION 3. THE LOAN.....	6
SECTION 4. DESCRIPTION OF SERIES 2021 NOTE	6
SECTION 5. EXECUTION OF SERIES 2021 NOTE.....	6
SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2021 NOTE.....	6
SECTION 7. SERIES 2021 NOTE MUTILATED, DESTROYED, STOLEN OR LOST	7
SECTION 8. FORM OF SERIES 2021 NOTE	8
SECTION 9. SECURITY FOR SERIES 2021 NOTE; SERIES 2021 NOTE NOT DEBT OF CITY.....	8
SECTION 10. COVENANTS OF THE CITY	8
SECTION 11. REPRESENTATIONS AND WARRANTIES	12
SECTION 12. CONDITIONS PRECEDENT.....	14
SECTION 13. NOTICES	14
SECTION 14. EVENTS OF DEFAULT DEFINED	15
SECTION 15. REMEDIES.....	16
SECTION 16. NO RECOURSE	16
SECTION 17. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS	17
SECTION 18. AMENDMENTS, CHANGES AND MODIFICATIONS.....	17
SECTION 19. BINDING EFFECT.....	17
SECTION 20. SEVERABILITY.....	17
SECTION 21. EXECUTION IN COUNTERPARTS.....	17
SECTION 22. APPLICABLE LAW.....	17

This LOAN AGREEMENT is made and entered into as of June 21, 2021, by and between CITY OF GREEN COVE SPRINGS, FLORIDA (the "City"), and KEY GOVERNMENT FINANCE, INC. (the "Lender").

WITNESSETH:

WHEREAS, the City has previously determined that it is necessary, desirable, and in the best interests of the City and its inhabitants that the City undertake the Project (as defined herein) and that the Project will serve public purposes of the City and the City issued its Electric Utility Revenue Note, Series 2018 (the "Refunded Note") to finance the Project which is outstanding in the principal amount of \$9,611,000; and

WHEREAS, the City now finds that it is necessary, desirable, and in the best interests of the City and its inhabitants that the City refund the Refunded Note and, thereby, refinance the Project and that the refunding of the Refunded Note and the issuance of the Series 2021 Note (as defined herein) will serve public purposes of the City; and

WHEREAS, pursuant to the Proposal (as defined herein) the Lender has proposed to lend the City the principal amount of \$9,800,000 to refund the Refunded Note; and

WHEREAS, the City has determined that it is in the best interest of the City to accept the Proposal and to issue an Electric Utility Refunding Revenue Note, Series 2021 (the "Series 2021 Note"), pursuant to the terms of the Resolution (as defined herein) and this Loan Agreement; and

WHEREAS, the City has determined that it is in the best interest of the health, safety, and welfare of the City and the inhabitants thereof that the City pledge the Net Revenues (as defined herein) to secure the obligation of the City to repay the principal of and interest on the Series 2021 Note when due and to make the other payments provided for herein; and

WHEREAS, the obligation of the City to repay principal of and interest on the Series 2021 Note will not constitute a general obligation or indebtedness of the City as a "bond" within the meaning of any provision of the Constitution of the State of Florida, but shall be and is hereby declared to be a special, limited obligation of the City, secured solely by the Net Revenues in the manner provided herein; and

WHEREAS, the City is not authorized and cannot be compelled to levy taxes on any property of or in the City for the purposes of paying the principal of or interest on the Series 2021 Note or making any other payments provided for herein. Furthermore, neither the Series 2021 Note nor the interest thereon shall be or constitute a lien upon the Project, the System (as defined herein), or upon any other property of or in the City.

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.* When used in this Loan Agreement, the following terms shall have the meanings specified in this section, unless the context clearly requires otherwise. All capitalized undefined terms used in this Loan Agreement shall have the meanings set forth in Exhibit A attached hereto.

"*Act*" shall mean, collectively, the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the City, the Ordinance, and other applicable provisions of law.

"*Authorized City Representative*" shall mean the City Manager, the Finance Director, or, in each case, his or her designee.

"*Authorized Investments*" shall mean any investment, obligation, agreement, or other financial instrument to the extent not inconsistent with the terms of the investment policy of the City and applicable law.

"*Business Day*" shall mean any day of the year other than a day on which the Lender or the City are lawfully closed for business.

"*City*" shall mean the City of Green Cove Springs, Florida.

"*City Attorney*" shall mean the City Attorney of the City.

"*City Clerk*" shall mean the City Clerk for the City or, in the City Clerk's absence, any Deputy Clerk duly authorized to execute documents or take other action, as the case may be, on the City Clerk's behalf.

"*City Manager*" shall mean the City Manager of the City, as the chief operating officer of the City or, in the City Manager's absence, any designee duly authorized to execute documents or take other action, as the case may be, on the City Manager's behalf.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended, and the Regulations applicable thereto.

"*Conditional Output Contract*" shall mean any contract or other arrangement with a supplier of electricity pursuant to which the City is obligated to purchase electric products or services, or both, and to make payment for such products or services or both with respect to any computation period (such computation period not to exceed one calendar month or 31 days) during any portion of which such products or services, or both, were made available to the City, regardless of whether

such products or services were actually taken or used by the City and shall include, but not by way of limitation of the generality of the foregoing, (A) the All Requirements Power Supply Contract between the Florida Municipal Power Agency and the City, dated March 22, 1985, as amended, (B) St. Lucie Project Power Sales Contract between Florida Municipal Power Agency and the City, dated June 1, 1982, as amended.

"*Council*" shall mean the City Council of the City, as the governing body of the City.

"*Default*" shall mean an Event of Default as defined and described in Section 14 hereof.

"*Default Rate*" shall mean the then applicable Interest Rate plus 3.0%.

"*Delivery Date*" shall mean June 21, 2021, or such other date as may be agreed to by both the City and the Lender.

"*Finance Director*" shall mean the Finance Director of the City or any assistant or deputy thereof.

"*Fiscal Year*" shall mean the period from each October 1 to the succeeding September 30.

"*Interest Payment Date*" shall mean the dates on which interest on the Series 2021 Note is payable, as shown on Exhibit A attached hereto.

"*Interest Rate*" shall mean the annual interest rate shown on Exhibit A attached hereto, subject to adjustment as provided in Schedule 3 to the Series 2021 Note.

"*Lender*" shall mean Key Government Finance, Inc., and its successors and assigns.

"*Loan*" shall mean the advance of moneys from the Lender to the City made pursuant to this Loan Agreement for the purpose of financing Project Costs.

"*Loan Agreement*" shall mean this Loan Agreement between the Lender and the City setting forth the terms and details of the Loan.

"*Maturity Date*" means the date on which all outstanding principal of and interest on the Series 2021 Note is due, as shown on Exhibit A attached hereto.

"*Maximum Rate*" shall mean the maximum rate of interest permitted for non-rated governmental bonds as set forth in Section 215.84(3), Florida Statutes, as may be amended from time to time.

"*Mayor*" shall mean the Mayor or Vice Mayor of the City, or his or her designee.

"*Net Revenues*" shall mean the Revenues after deducting therefrom the Operating Expenses.

"*Note Counsel*" shall mean Bryant Miller Olive P.A., Tallahassee, Florida, or such other law firm having a nationally-recognized practice in the areas of local, state, and federal law related to the debt obligations of state and local governments.

"*Operating Expenses*" shall mean the current expenses, paid or accrued, of operation, maintenance, and repair of the System as calculated in accordance with generally accepted accounting principles, and shall include payments made pursuant to any Conditional Output Contracts and other payments for the purchase of electric capacity, energy, and transmission services, purchased at wholesale or otherwise, but shall not include expenses not annually recurring, such as any reserve for renewals and replacements, extraordinary repairs or conditions, any allowance for depreciation or amortization, any debt service requirements, any payments pursuant to any Unconditional Output Contracts, any payments in lieu of taxes, or any transfers to the general fund of the City not directly attributable to expenses or costs of operation of the System.

"*Ordinance*" shall mean Ordinance No. O-13-2021, duly enacted by the Council on June 15, 2021.

"*Paying Agent*" shall mean the Finance Director.

"*Payment Date*" shall mean the dates on which interest on, and principal of, the Series 2021 Note is payable, as shown on Exhibit A attached hereto.

"*Person*" or words importing persons, shall mean 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.

"*Project*" shall mean the acquisition and construction of additions, extensions, and improvements to the System, and all costs incidental thereto, as described in Exhibit B to the Resolution, together with such additions thereto, modifications thereof, or deletions therefrom as may be approved by the Council from time to time, subject to the opinion of Note Counsel that such additions, modifications, or deletions will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Note.

"*Qualified Independent Consultant*" shall mean one or more qualified and recognized independent consultants, having favorable repute, skill, and experience with respect to the acts and duties of the Qualified Independent Consultant to be provided to the City, as shall from time to time be retained by the City to perform the acts and carry out the duties herein provided for such consultants.

"*Register*" shall mean the books maintained by the Registrar in which are recorded the name and address of the Registered Owner of the Series 2021 Note.

"*Registered Owner*" shall mean the person in whose name the ownership of the Series 2021 Note is registered on the books maintained by the Registrar. The Registered Owner shall be the Lender or its successors and assigns.

"*Registrar*" shall mean the Person maintaining the Register. The Registrar shall initially be the City Clerk.

"*Regulations*" shall mean the Income Tax Regulations promulgated by the Internal Revenue Service under Sections 103 and 141 through 150 of the Code.

"*Resolution*" shall mean Resolution No. R-08-2021, adopted by the Council on June 15, 2021, and all resolutions amendatory thereof and supplemental thereto.

"*Revenues*" shall mean all income or earnings, including any income from the investment of funds, received by or attributable or accruing to the City from the ownership or operation of the System.

"*Series 2021 Note*" shall mean the Electric Utility Refunding Revenue Note, Series 2021 of the City, issued pursuant to this Loan Agreement.

"*Sinking Fund*" shall mean the fund created pursuant to Section 10 hereof.

"*State*" means the State of Florida.

"*System*" means the complete electric transmission and distribution system now owned, operated, and maintained by the City together with any and all improvements, extensions, and additions thereto or which may be hereafter constructed or acquired.

"*Unconditional Output Contract*" means any contract or any other agreement with a supplier of electricity pursuant to which the City is obligated to purchase electric products or services, or both, and to make payment for such products or services or both with respect to any computation period (such computation period not to exceed one month or 31 calendar days), regardless of whether such products or services or both are made available to the City during such computation period, and which the City cannot, at its option, terminate without giving at least one year's notice to the supplier of such products or services and shall include, but not by way of limitation of the generality of the foregoing, the St. Lucie Project Project Support Contract between the Florida Municipal Power Agency and the City, dated June 1, 1982, as amended.

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 Loan Agreement and all the terms and provisions

hereof have been negotiated between the City and the Lender; shall not be construed strictly in favor of or against either party hereto; and 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 City hereby accepts the Loan, upon the terms and conditions set forth herein.

Section 4: Description of Series 2021 Note. The obligation of the City to repay the Loan shall be evidenced by the Series 2021 Note. The Series 2021 Note shall be dated as of the Delivery Date; shall mature as set forth therein; shall be in registered form; and shall bear interest from its date until payment of the principal amount thereof. Interest shall be payable as set forth on Exhibit A attached hereto, on the basis of twelve (12) thirty (30) day months and a 360-day year from the Delivery Date at the Interest Rate shown on Exhibit A attached hereto, but only on the outstanding principal amount of the Loan. The Series 2021 Note may be prepaid in whole only, prior to maturity upon the terms and conditions contained in the Series 2021 Note.

Section 5: Execution of Series 2021 Note. The Series 2021 Note shall be executed in the name of the City by the Mayor and attested by the City Clerk, and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Series 2021 Note may be signed and sealed on behalf of the City by any person who at the actual time of the execution of the Series 2021 Note shall hold the appropriate office in the City, although at the date thereof the person may not have been so authorized.

Section 6: Registration and Transfer of Series 2021 Note. The Series 2021 Note shall be and shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State, and the Registered Owner, in accepting the Series 2021 Note, shall be conclusively deemed to have agreed that such Series 2021 Note 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 Series 2021 Note is shown on the Register shall be deemed the Registered Owner thereof by the City and the Registrar, who may treat the Registered Owner as the absolute owner of the Series 2021 Note for all purposes, whether or not the Series 2021 Note shall be overdue, and any notice to the contrary shall not be binding upon the City or the Registrar.

The Series 2021 Note may be transferred or assigned in whole, but not in part, by the Registered Owner without the prior written consent of the City, provided that (A) the City is given notice of such transfer not later than ten (10) days prior to the next Interest Payment Date on the Series 2021 Note and (B) the transferee provides to the City an investment letter in form and substance materially the same as the letter provided by the Lender to the City upon the original issuance thereof.

Ownership of the Series 2021 Note may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of the Series 2021 Note 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 Series 2021 Note of the same amount, maturity and interest rate as the Series 2021 Note surrendered.

The Series 2021 Note presented for transfer, exchange, redemption, or payment (if so required by the City or the Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in the form attached to the Series 2021 Note and with guaranty of signature, duly executed by the Registered Owner or by his duly authorized attorney.

The Registrar or the City may also 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. Such charges and expenses shall be paid before any such new Series 2021 Note shall be delivered.

The new Series 2021 Note delivered upon any transfer or exchange shall be a valid obligation of the City, evidencing the same debt as the Series 2021 Note surrendered, shall be secured under this Loan Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2021 Note surrendered.

Whenever the Series 2021 Note shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer, or exchange, such Series 2021 Note shall be cancelled and destroyed by the Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the City.

Section 7: *Series 2021 Note Mutilated, Destroyed, Stolen or Lost.* In case the Series 2021 Note shall be mutilated, or be destroyed, stolen, or lost, upon the Registered Owner indemnifying the City, in a fashion reasonably acceptable to the City and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur, the Registrar shall issue and deliver a new Series 2021 Note of like tenor as the Series 2021 Note so mutilated, destroyed, stolen, or lost, in lieu of or substitution for the Series 2021 Note, if any, destroyed, stolen, or lost, or in exchange and substitution for such mutilated Series 2021 Note, upon surrender of such mutilated Series 2021 Note, if any, to the Registrar and the cancellation thereof; provided however, if the Series 2021 Note shall have matured or be about to mature, instead of issuing a substitute Series 2021 Note, the City may pay the same, upon being indemnified as aforesaid, and if such Series 2021 Note be lost, stolen, or destroyed, without surrender thereof. Any Series 2021 Note surrendered under the terms of this Section shall be cancelled by the Registrar.

Any such new Series 2021 Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the City whether or not, as to the new Series 2021 Note, the lost, stolen, or destroyed Series 2021 Note be at any time found by anyone, and such new Series 2021 Note shall be entitled to equal and proportionate benefits and rights as to security for payment to the same extent as the Series 2021 Note originally issued hereunder.

Section 8: Form of Series 2021 Note. The Series 2021 Note shall be in substantially the form of Exhibit A attached hereto, with such changes, amendments, modifications, deletions, and additions as may be necessary, desirable, and authorized or permitted by this Loan Agreement.

Section 9: Security for Series 2021 Note; Series 2021 Note Not Debt of City. The payment of the principal of and interest on the Series 2021 Note, and all other payments due hereunder, shall be secured solely by a first lien upon and a pledge of (A) the Net Revenues of the System on parity with any Parity Obligations issued hereunder in the future, and (B) the amounts in the funds and accounts established hereunder. The Net Revenues and the amounts in the funds and accounts established hereunder are hereby pledged therefor. The principal of and interest on the Series 2021 Note shall not constitute a general obligation or indebtedness of the City, and the Registered Owner shall never have the right to or compel the levy of taxes upon any property of or in the City for the payment of the principal of and interest on the Series 2021 Note. The Series 2021 Note shall not be secured by, nor constitute, a lien upon the Project, the System, or upon any other property of or in the City, but shall be secured solely by the Net Revenues in the manner provided herein.

Section 10: Covenants of the City. Until the principal of and interest on the Series 2021 Note shall have been paid in full or until provision for payment of the Series 2021 Note shall have been made in accordance with the provisions of this Loan Agreement, the City covenants with the Registered Owner of the Series 2021 Note as follows:

A. Payments. The City will make timely payments of all principal of and interest on the Series 2021 Note when due by wire transfer in accordance with written instructions delivered by the Lender to the City or by such other medium acceptable to the City and to the Lender.

B. Financial Statements. Not later than 270 days following the end of each Fiscal Year, the City will provide the Lender a printed copy of the audited financial statements of the City, and if prepared, the Comprehensive Annual Financial Report.

C. Annual Budget and Other Information. The City will prepare its annual budget in accordance with the Act, and will provide to the Lender (1) a printed copy of its final annual budget for each Fiscal Year within 60 days of adoption thereof by the Council and (2) such other financial or public information as the Lender may reasonably request.

D. Tax Compliance. Neither the City, nor any third party over whom the City has control, will make any use of the proceeds of the Series 2021 Note or of the Project at any time

during the term of the Series 2021 Note which would cause the Series 2021 Note to be (1) a "private activity bond" within the meaning of Section 103(b)(1) of the Code or (2) an "arbitrage bond" within the meaning of Section 103(b)(2) of the Code. The City covenants throughout the term of the Series 2021 Note to comply with the requirements of the Code and the Regulations, as amended from time to time, and to take all actions necessary to maintain the exclusion from gross income for purposes of the Code of interest on the Series 2021 Note.

E. *Debt Service Coverage.* While the Series 2021 Note is outstanding and unpaid, the City will fix, establish, and maintain such rates and will collect such fees, rentals, or other charges for the services of the System and revise the same from time to time, whenever necessary, as will always provide Net Revenues equal to at least one hundred twenty percent (120%) of the principal and interest on the Series 2021 Note and any other debt obligations payable from the Net Revenues.

F. *Additional Parity Obligations.* Except as provided below, the City may incur no obligations payable from the Net Revenues (including Unconditional Output Contracts), unless such obligations are expressly made payable on a junior and subordinate basis to the payment of the Series 2021 Note. Parity debt obligations payable on a parity basis to the Series 2021 Note (the "Parity Obligations") may be issued upon satisfaction of the following conditions:

(1) There shall have been obtained and filed with the City Clerk a certificate of the Finance Director stating: (i) that the audited books and records of the City relative to the Net Revenues for the most recently audited fiscal year (the "Test Period") have been reviewed by the Finance Director and that the amount of the Net Revenues adjusted as provided in paragraph (2) below, is equal to not less than 1.20x the maximum debt service becoming due in any year thereafter on all debt payable from the Net Revenues and on the Parity Obligations.

(2) Upon recommendation of the Qualified Independent Consultants, the Net Revenues in the previous paragraph may be adjusted for purposes of this section by including: (i) 100% of the additional Net Revenues which in the opinion of the Qualified Independent Consultant would have been derived by the City from rate increases adopted and in effect before the issuance of the Parity Obligations, if such approved rate increases had been implemented during the Test Period, and (ii) 100% of the additional Net Revenues estimated by the Qualified Independent Consultant to be derived during the first full 12 month period after the facilities financed with proceeds of the proposed Parity Obligations are placed in service.

(3) For purposes of this section 10.F., "Net Revenues" shall not include (i) any proceeds from the sale of assets of the System, (ii) proceeds of insurance or emergency assistance grants, or (iii) other extraordinary or non-recurring items or gains.

G. *Funds and Accounts.* There is hereby created and established an "Electric Utility Refunding Revenue Note, Series 2021 Sinking Fund," which shall be maintained on the books of the City as a separate account (but need not be maintained as a separate bank or deposit account). On or before the 25th day of each month, an amount equal to: (1) one-sixth (1/6th) of the interest amount due on the next Interest Payment Date, and (2) one-twelfth (1/12th) of the principal amount due on the next Payment Date, as shown on Schedule 1 to the Series 2021 Note, will be deposited by the City into the Sinking Fund from the Net Revenues or other legally available funds of the City. Moneys in the Sinking Fund shall be used only to pay principal of and interest on the Series 2021 Note and for no other purpose.

H. *Operation and Maintenance.* The City will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

I. *Books and Accounts.* The City shall keep proper books, records, and accounts, separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the System, and the Registered Owner of the Series 2021 Note or any duly authorized agent or agents of such Registered Owner shall have the right at any and all reasonable times to inspect such books, records, and accounts.

J. *Disposition of System.* The System may be sold or otherwise disposed of as a whole or substantially as a whole, only if the net proceeds to be realized, together with other moneys available for such purpose, shall be sufficient to fully retire the Series 2021 Note, and all Parity Obligations and all interest thereon to their respective dates of maturity or earlier redemption dates. The proceeds from such sale or other disposition of the System shall immediately be deposited first in the Sinking Fund and shall be used only for the purpose of paying the Series 2021 Note, and Parity Obligations as the same shall become due or upon the earlier redemption thereof on the next ensuing redemption date. The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease, exchange, or otherwise dispose of any of the tangible property or ownership interest in tangible property comprising a part of the System if any one of the following conditions exist: (1) such property is not necessary for the operation of the System, (2) such property is not useful in the operation of the System, or (3) such property is not profitable in the operation of the System.

K. *Insurance.* The City shall provide protection for the System both in accordance with the requirements of all agreements, if any, to which the City may at the time be a party with respect to joint ownership of properties by the City with others which is part of the System, and in accordance with prudent utility practice. Said protection may consist of insurance, self-insurance, and indemnities. The City will keep, or cause to be kept, the works, plants, and facilities comprising the properties of the System insured, and will carry such other insurance against fire and other risks, accidents, or casualties at least to the extent and of the kinds that insurance is usually carried by utilities operating like properties. Any insurance shall be in the form of policies

or contracts for insurance with insurers of good standing, shall be payable to the City and may provide for such deductibles, exclusions, limitations, restrictions, and restrictive endorsements customary in policies for similar coverage issued to entities operating properties similar to the properties of the System. Any self-insurance shall be in the amounts, manner and of the type provided by entities operating properties similar to the properties of the System. In the event of any loss or damage to the System covered by insurance, the City will, with respect to each such loss, promptly repair, reconstruct, or replace the parts of the System affected by such loss or damage to the extent necessary to the proper conduct of the operation of the business of the System in accordance with prudent utility practice, shall cause the proceeds of such insurance to be applied for that purpose to the extent required therefor, and pending such application, shall hold the proceeds of any insurance policy covering such damage or loss in trust to be applied for that purpose to the extent required therefor. Any excess insurance proceeds received by the City may be used by the City for any lawful purpose. Notwithstanding the foregoing or any provisions of this Loan Agreement to the contrary, the City shall not be required to maintain insurance with respect to facilities for which insurance shall not be available or for facilities which, in accordance with prudent utility practice, are not customarily insured.

L. *No Free Service.* So long as the Series 2021 Note, or any Parity Obligations are outstanding, the City shall not furnish or supply the facilities, services, and commodities of the System either free of charge or for a nominal charge to any person, firm, or corporation, public or private, including the City's departments, agencies, and instrumentalities which avail themselves of the services of the System. The City shall promptly enforce the payment of any and all accounts owing to the City and delinquent, by discontinuing service or by filing suits, actions, or proceedings, or by both discontinuance of service and filing suit.

M. *Mandatory Cut Off.* The City shall establish a written policy consistent with sound business judgment for the disconnection from the System of any customer who fails to pay for services rendered by the System, and shall enforce such policy diligently and fairly.

N. *Enforcement of Collections.* The City will diligently enforce and collect the rates, fees, and other charges for the services and facilities of the System and will take all steps, actions, and proceedings for the enforcement and collection of such rates, charges, and fees as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such fees, rates, charges, and revenues shall, as collected, be held in trust to be applied as herein provided.

O. *Mandatory Connections; No Competing System.* So long as service is in fact available as reasonably determined by the City, the City will, to the full extent permitted by law, require all lands, buildings, and structures within the area being served by the System to connect with and use such facilities within 60 days after notification. To the extent permitted by law, the City will not grant a franchise for the operation of any competing electric system or systems within the area served by the System until the Series 2021 Note, and any Parity Obligations issued hereunder, together with the interest thereon, and premium, if any, have been paid in full. Notwithstanding

the foregoing, the City shall not be required to duplicate services being provided by private or public electric utilities in the area being served by such private or public electric utilities. In addition, the City shall not be prohibited from allowing other private or public electric utilities to provide services within the area being served by the System, if the City shall not be providing such service in such area on that date. Nothing herein shall be deemed to constitute the approval of the City for any private or public electric utility (other than the System) to provide any services within the boundaries of the City or within the area being served by the System or within any other area of the City.

P. *Payment of Taxes, Assessments, and Other Claims.* The City shall from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments, and other governmental charges, or payments in lieu thereof, lawfully imposed upon the properties constituting the System when the same shall become due, as well as all lawful claims for labor and materials and supplies which, if not paid, might become a lien or charge upon such properties or any part thereof or which might in any way impair the security of the Series 2021 Note, except assessments, charges, or claims which the City shall in good faith contest by proper legal proceedings.

Section 11: *Representations and Warranties.*

A. The City represents and warrants to the Lender that:

(1) *Organization.* The City is a municipal corporation, duly organized, and existing under the laws of the State.

(2) *Authorization of Loan Agreement and Related Documents.* The City has the power and has taken all necessary action to authorize the execution and delivery of and the performance by the City of its obligations under this Loan Agreement and the Series 2021 Note in accordance with their respective terms. This Loan Agreement and the Series 2021 Note have been duly executed and delivered by the City and are legal, valid and binding obligations of the City, enforceable against the City in accordance with their respective terms, except to the extent that such enforcement may be limited by laws regarding bankruptcy, insolvency, reorganization, or moratorium applicable to the City or by general principles of equity regarding the availability of specific performance.

(3) *No Conflict; No Litigation.* The terms of the Series 2021 Note and of this Loan Agreement do not conflict with or constitute a violation of the terms of any judgment, decree, indenture, loan agreement, debt instrument, or other agreement to which the City is a party or by which the City is bound. There is no litigation pending, or to the best knowledge of the City, threatened, which seeks to restrain or enjoin the execution and delivery of the Series 2021 Note or this Loan Agreement, the pledging by the City of the Net Revenues, or the performance by the City of its obligations hereunder, or the collection and application of the Net Revenues.

(4) *Financial Statements.* The financial statements of the City for the Fiscal Year ended September 30, 2020, previously provided to the Lender were prepared in accordance with generally accepted accounting principles and present fairly the financial condition of the City 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, properties, or operations of the City.

(5) *Net Revenues.* The Lender shall have a first priority security interest in the Net Revenues, subject only to parity liens for Parity Obligations issued pursuant to the terms hereof.

B. The Lender represents and warrants to the City that:

(1) *Organization.* The Lender is a corporation, duly organized, and existing under the laws of the State of Colorado.

(2) *Authorization of Loan Agreement and Related Documents.* The Lender has the power and has taken all necessary action to authorize the execution and delivery of and the performance by the Lender of its obligations under this Loan Agreement in accordance with their respective terms. This Loan Agreement has been duly executed and delivered by the Lender and is a valid and binding obligation of the Lender, enforceable against the Lender in accordance with its terms, except to the extent that such enforcement may be limited by laws regarding bankruptcy, insolvency, reorganization, or moratorium applicable to the Lender or by general principles of equity regarding the availability of specific performance.

(3) *No Conflict; No Litigation.* The terms of this Loan Agreement do not conflict with or constitute a violation of the terms of any judgment, decree, indenture, loan agreement, debt instrument, or other agreement to which the Lender is a party or by which the Lender is bound. There is no litigation pending, or to the best knowledge of the Lender, threatened, which seeks to restrain or enjoin the execution and delivery of this Loan Agreement or the performance by the Lender of its obligations hereunder.

(4) *Knowledge and Experience.* The Lender (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of making the Loan, (ii) has received and reviewed such financial information concerning the City as it has requested in order to fairly evaluate the merits and risks of making the Loan, and (iii) is purchasing the Series 2021 Note for its own account and not with a present view toward resale to the public.

Section 12: *Conditions Precedent.* The obligation of the Lender to make the Loan is subject to the satisfaction of each of the following conditions precedent on or before the Delivery Date:

A. *Action.* The Lender shall have received a copy of the Ordinance and the Resolution certified as complete and correct as of the Delivery Date, together with an executed Loan Agreement, the executed Series 2021 Note, and the customary closing certificates and opinions, in form and substance reasonably satisfactory to the Lender.

B. *Incumbency of Officers.* The Lender shall have received an incumbency certificate of the City in respect of each of the officers who is authorized to sign this Loan Agreement and the related financing documents on behalf of the City.

C. *Opinion of City Attorney.* The Lender shall have received a written opinion of the City Attorney in the form attached hereto as Exhibit B, with such changes as shall be acceptable to the Lender.

D. *Opinion of Note Counsel.* The Lender shall have received an approving opinion of Note Counsel or, alternatively, a letter from Note Counsel authorizing the Lender to rely on the approving opinion of Note Counsel delivered to the City in respect to the Series 2021 Note to the same extent as if such opinion were addressed to the Lender. The opinion, in form and substance satisfactory to the Lender, shall, at a minimum, address the status of interest on the Series 2021 Note under the provisions of Section 103 of the Code.

E. *Representations and Warranties; No Default.* The representations and warranties made by the City herein shall be true and correct in all material respects on and as of the Delivery Date, as if made on and as of such date; no Default shall have occurred and be continuing as of the Delivery Date or will result from the consummation of the Loan; and the Lender shall have received a certificate from the City to the foregoing effect.

F. *Lender Documents.* The City shall have received from the Lender an Investor Letter, the form of which is attached hereto as Exhibit C and a Disclosure Letter containing the information required by Section 218.385, Florida Statutes, the form of which is attached hereto as Exhibit D.

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

City: City of Green Cove Springs, Florida
321 Walnut Street
Green Cove Springs, Florida 32043
Attention: Marlena Guthrie, Finance Director

Lender: Key Government Finance, Inc.
1000 S. McCaslin Blvd.
Superior, Colorado 80027
Attention: Municipal Operations

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 14: *Events of Default Defined.* The following shall be "Events of Default" under this Loan Agreement, and the terms "Default" and "Events of Default" shall mean (except where the context clearly indicates otherwise), any one or more of the following events:

A. failure by the City to make any payment of principal of or interest on the Series 2021 Note on the applicable Payment Date.

B. failure by the City to deposit into the Sinking Fund the amounts required hereunder.

C. failure by the City to observe and perform any other covenant, condition, or agreement on its part to be observed or performed under this Loan Agreement for a period of 30 days after written notice of such failure shall have been delivered to the City by the Lender, unless the Lender shall agree in writing to an extension of such time prior to its expiration;

D. the making of any warranty, representation, or other statement by the City or by an officer or agent of the City in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement which is false or misleading in any material adverse respect;

E. the filing of a petition against the City under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law of any jurisdiction, whether now or hereafter in effect, if an order for relief is entered under such petition or such petition is not dismissed within 60 days of such filing;

F. the filing by the City of a voluntary petition in 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 the consent by the City to the filing of any petition against it under such law; or

G. the admission by the City of its insolvency or bankruptcy or its inability to pay its debts as they become due or that it is generally not paying its debts as such debts become due, or the City's becoming insolvent or Bankrupt or making an assignment for the benefit of creditors, or the appointment by court order of a custodian (including without limitation a receiver, liquidator, or trustee) of the City or any of its property taking possession thereof and such order remaining in effect or such possession continuing for more than 60 days.

Section 15: *Remedies.*

A. If the City fails to make any payment of principal of or interest on the Series 2021 Note on its due date, interest on the past due payment shall accrue at the Default Rate until payment is made. If such delinquent amount is not paid within 90 days of its due date, the entire principal amount of the Series 2021 Note shall bear interest at the Default Rate until such Default is cured. Additionally, if any payment due on the Series 2021 Note is paid later than 10 days after the date due, such payment may be subject to an additional late fee of 5% on the overdue payment. Provided, however, in no event shall the interest rate on the Series 2021 Note exceed the Maximum Rate.

B. The Lender may sue to protect and enforce any and all rights, including the right to specific performance, existing under the laws of the State, of the United States of America, or granted and contained in this Loan Agreement, and to enforce and compel the performance of all duties required by this Loan Agreement or by any applicable laws to be performed by the City, the Council, or by any officer thereof, and may take all steps to enforce this Loan Agreement to the full extent permitted or authorized by the laws of the State or the United States of America. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE CITY AND THE LENDER, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS LOAN AGREEMENT, THE SERIES 2021 NOTE, OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION WITH THIS LOAN AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF ANY PARTY WITH RESPECT HERETO. This provision is a material inducement to the Lender to enter into this Loan Agreement.

C. Upon an Event of Default, the Lender may recover from the City, but solely from the Net Revenues and the amounts in the funds and accounts established hereunder, all expenses incurred related to such Default, including, without limitation reasonable attorney's fees, at all levels of the proceedings, whether incurred in connection with collection, bankruptcy, proceedings, trial, appeal, or otherwise.

Section 16: *No Recourse.* No recourse shall be had for the payment of the principal of and interest on the Series 2021 Note or for any claim based on the Series 2021 Note or on this Loan

Agreement, against any present or former member or officer of the Council or any person executing the Series 2021 Note.

Section 17: *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 Loan 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 Loan Agreement, provided that interest on any monetary obligation hereunder shall accrue at the applicable rate to and including the date of such payment.

Section 18: *Amendments, Changes, and Modifications.* This Loan Agreement may be amended only in writing signed by both parties hereto.

Section 19: *Binding Effect.* To the extent provided herein, this Loan Agreement shall be binding upon the City and the Lender and shall inure to the benefit of the City and the Lender and their respective successors and assigns. This Loan Agreement shall be discharged and neither the City nor the Lender shall have any further obligations hereunder under the Series 2021 Note when the City shall have paid the principal of and interest on the Series 2021 Note in full and shall have paid in full all other amounts, if any, due under the Series 2021 Note or this Loan Agreement.

Section 20: *Benefits Exclusive.* Except as otherwise provided herein, nothing in this Loan Agreement, expressed or implied, is intended or shall be construed to confer upon any Person, other than the City and the Registered Owner, any right, remedy, or claim, legal or equitable, under or by reason of this Loan Agreement or any provision hereof, this Loan Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the City and the Registered Owner.

Section 21: *Severability.* In the event any court of competent jurisdiction shall hold any provision of this Loan Agreement invalid or unenforceable such holding shall not invalidate or render unenforceable, any other provision hereof.

Section 22: *Execution in Counterparts.* This Loan 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 23: *No Consent.* No consent to or waiver of (either express or implied) any breach or default in the performance of any obligation under this Loan Agreement or the Series 2021 Note shall constitute a consent to or waiver of any other breach or default in the performance of the same or any other obligation.

Section 24: *Applicable Law.* This Loan 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 Loan Agreement as of the date first above written.

CITY OF GREEN COVE SPRINGS, FLORIDA

(SEAL)

By: _____
Edward Gaw, Mayor

ATTEST:

By: _____
Erin West, City Clerk

APPROVED AS TO FORM AND CORRECTNESS:

By: _____
L.J. Arnold III, City Attorney

KEY GOVERNMENT FINANCE, INC.

By: _____
Name:
Title:

EXHIBIT A

FORM OF SERIES 2021 NOTE

ANY REGISTERED OWNER SHALL, PRIOR TO BECOMING A REGISTERED OWNER, EXECUTE AN INVESTOR LETTER IN THE FORM ATTACHED TO THE LOAN AGREEMENT (AS HEREIN DEFINED) CERTIFYING, AMONG OTHER THINGS, THAT SUCH REGISTERED OWNER IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

No. R-1

\$9,800,000

CITY OF GREEN COVE SPRINGS, FLORIDA
ELECTRIC UTILITY REFUNDING REVENUE NOTE, SERIES 2021

INTEREST RATE

MATURITY DATE

DATE OF ISSUE

1.712% per annum,
subject to adjustment as
provided on Schedule 3
attached hereto

See Schedule 1 attached hereto

June 21, 2021

REGISTERED OWNER: KEY GOVERNMENT FINANCE, INC.

PRINCIPAL AMOUNT: NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that City of Green Cove Springs, Florida (the "City"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on the Maturity Date specified above, a portion of the Principal Amount shown above, in the installments shown on Schedule 1 attached hereto, with the final installment of principal and interest being payable upon presentation and surrender hereof at the office of the Finance Director, as Registrar and Paying Agent, on July 1, 2033, and to pay solely from such funds interest on the Principal Amount from the date hereof or from the most recent date to which interest has been paid, whichever is applicable, until payment of such Principal Amount, at the Interest Rate shown above, subject to adjustment as set forth on Schedule 3 attached hereto, such interest being payable semiannually on January 1 and July 1 of each year, commencing July 1, 2021 (each an "Interest Payment Date"), until maturity, by wire transfer or other medium acceptable to the City and to the Registered Owner, on or before the Interest Payment Date, to the Registered Owner. The principal of, premium, if any, and interest on this Series 2021 Note are payable in lawful money of the United States of America. Interest due hereon shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

The City may prepay this Series 2021 Note in whole only, at any time, without premium or prepayment penalty.

This Series 2021 Note is issued to refund the Refunded Note, under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Ordinance No. O-13-2021, enacted by the Council on June 15, 2021, as supplemented by Resolution No. R-08-2021, adopted on June 15, 2021 (collectively, the "Ordinance"), and pursuant to a Loan Agreement between the City and Key Government Finance, Inc., dated June 21, 2021 (the "Loan Agreement"), to which reference should be made to ascertain those terms and conditions.

This Series 2021 Note is payable from and secured solely by the Net Revenues of the System, as defined in and in the manner provided in, and subject to the terms and conditions of, the Ordinance, the Resolution, and the Loan Agreement.

The principal of and interest on this Series 2021 Note do not constitute a general obligation or indebtedness of the City, and the Registered Owner shall never have the right to require or compel the levy of taxes on any property of or in the City for the payment of the principal of and interest on this Series 2021 Note. The principal of and interest on this Series 2021 Note are not secured by a lien upon the Project, or upon any property of or in the City, but are secured solely by the Net Revenues in the manner provided herein and in the Loan Agreement. Reference is made to the Loan Agreement for the provisions relating to the security for payment of this Series 2021 Note and the duties and obligations of the City hereunder.

The Registered Owner may sue to protect and enforce any and all rights, including the right to specific performance, existing under the laws of the State of Florida, of the United States of America, or granted and contained in the Loan Agreement, and to enforce and compel the performance of all duties required by the Loan Agreement or by any applicable laws to be performed by the City, the Council, or by any officer thereof, and may take all steps to enforce the Loan Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America. Pursuant to the Loan Agreement, to the extent permitted by applicable law, each of the City and the Registered Owner, knowingly, voluntarily and intentionally waives any right each may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with the Loan Agreement, this Series 2021 Note, or any agreement contemplated to be executed in connection with the Loan Agreement, or any course of conduct, course of dealing, statements (whether verbal or written), or actions of any party with respect thereto.

This Series 2021 Note may be transferred or assigned in whole, but not in part, by the Registered Owner without the prior written consent of the City provided that (A) the City is given notice of such transfer not later than ten (10) days prior to the next Interest Payment Date on the Series 2021 Note and (B) the transferee provides to the City an investment letter in form and

substance materially the same as the letter provided by the Lender to the City upon the original issuance hereof.

It is hereby certified and recited that all acts, conditions, and things required by the Constitution and laws of the State of Florida to be performed, to exist, and to happen precedent to and in the issuance of this Series 2021 Note, have been performed, exist, and have happened in regular and due form and time as so required.

IN WITNESS WHEREOF, the City of Green Cove Springs, Florida, has caused this Series 2021 Note to be executed by the Mayor and attested by the Clerk and its seal to be affixed, impressed, imprinted, lithographed, or reproduced hereon, all as of the Date of Issue above.

CITY OF GREEN COVE SPRINGS, FLORIDA

(SEAL)

By: _____
Edward Gaw, Mayor

ATTEST:

By: _____
Erin West, City Clerk

SCHEDULE 1
AMORTIZATION SCHEDULE

Payment Date	
(July 1)	Amount
2021	\$601,000
2022	698,000
2023	708,000
2024	721,000
2025	734,000
2026	746,000
2027	759,000
2028	771,000
2029	785,000
2030	798,000
2031	813,000
2032	826,000
2033	840,000

SCHEDULE 2

ADJUSTMENTS TO INTEREST RATE IN CERTAIN EVENTS

The interest rate on this Series 2021 Note shall be subject to adjustment in the event of a change in certain tax laws and regulations as set forth below:

Default Rate

If the City fails to make any payment of principal of or interest on this Series 2021 Note on its due date, interest on the past due payment shall accrue at the Default Rate until payment is made. If such delinquent amount is not paid within 90 days of its due date, the entire principal amount of this Series 2021 Note shall bear interest at the Default Rate until such Default is cured. Additionally, if any payment due on this Series 2021 Note is paid later than 10 days after the date due, such payment may be subject to an additional late fee of 5% on the overdue payment.

The Registered Owner shall provide to the City such documentation to evidence any adjustment to the Interest Rate and the calculations made in connection therewith. All calculations and determinations by the Registered Owner of the amounts payable pursuant to the Interest Rate adjustment 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. Notwithstanding anything in this Series 2021 Note or the Loan Agreement to the contrary, in no event shall the Interest Rate on this Series 2021 Note or late charge on an overdue payment exceed the Maximum Rate.

EXHIBIT B

FORM OF CITY ATTORNEY OPINION

June 21, 2021

Mayor and Members of the
City Council of the
City of Green Cove Springs, Florida

Key Government Finance, Inc.
Superior, Colorado

Bryant Miller Olive P.A.
Tallahassee, Florida

Re: \$9,800,000 City of Green Cove Springs, Florida
Electric System Refunding Revenue Note, Series 2021 (the "Series 2021 Note")

I have acted as City Attorney for the City of Green Cove Springs, Florida (the "City"), in connection with (A) the authorization and delivery by the City of the above-styled Series 2021 Note, pursuant to Ordinance No. O-13-2021, enacted by the City Council of the City on June 15, 2021 (the "Ordinance"), as supplemented by Resolution No. R-08-2021, adopted by the City Council of the City on June 15, 2021 (the "Resolution"), and (B) the Loan Agreement (the "Loan Agreement") between the City and Key Government Finance, Inc., dated June 21, 2021, all for the purpose of refunding the Refunded Note, as more particularly described in the Ordinance and the Loan Agreement. The capitalized terms herein refer to the terms defined in the Resolution and the Loan Agreement.

I am of the opinion that:

1. The City is a municipal corporation of the State of Florida (the "State") and had and has good right and lawful authority under the Constitution and laws of the State to enact the Ordinance, to adopt the Resolution, to enter into the Loan Agreement, to issue and deliver the Series 2021 Note, to pledge the Net Revenues of the System (the "Net Revenues"), and to perform its obligations under the Loan Agreement, the Series 2021 Note, the Ordinance, and the Resolution.

2. The Loan Agreement and the Series 2021 Note have been duly executed and delivered by the City, and the Ordinance, the Resolution, the Loan Agreement, and the Series 2021 Note are in full force and effect and constitute valid and binding contracts of the City, enforceable in accordance with their respective terms, except to the extent that the enforceability

thereof may be limited by applicable bankruptcy laws or other laws affecting creditors' rights and to the exercise of judicial discretion.

3. There is no litigation of any nature now pending, or, to my best knowledge, threatened: (a) restraining or enjoining the enactment of the Ordinance, the adoption of the Resolution, or the authorization, execution, or delivery of the Loan Agreement and the Series 2021 Note; (b) affecting in any way the right or authority of the City (i) to enact the Ordinance or to adopt the Resolution, (ii) to authorize, issue, and deliver the Loan Agreement and the Series 2021 Note, (iii) to pledge the Net Revenues to secure payment of the Series 2021 Note, (iv) to pay the principal of the Series 2021 Note and the interest thereon, (v) in any manner affecting the proceedings and authority for the enactment of the Ordinance, the adoption of the Resolution, and the authorization or delivery of the Loan Agreement and the Series 2021 Note; or (c) affecting directly or indirectly (i) the validity of the Loan Agreement or the Series 2021 Note, (ii) any provisions made or authorized for payment of the Series 2021 Note, (iii) the corporate existence of the City or the Council, or (iv) the title of the present officers of the City or any of them to their respective offices.

4. None of the proceedings or authority relating to the Ordinance, the Resolution, or the issuance and delivery of the Loan Agreement or the Series 2021 Note has been repealed, revoked, rescinded, or limited in any way.

5. The City has received all necessary approvals, consents, and orders required to be obtained and has taken all action required to be taken under federal, state, and local laws in connection with the issuance and delivery of the Series 2021 Note.

6. The execution and delivery of the Series 2021 Note and the Loan Agreement, the enactment of the Ordinance, the adoption of the Resolution, and compliance by the City with the provisions contained therein, will not, to the best of my knowledge, conflict with, or constitute a breach of or default under, any judgment, decree, loan agreement, indenture, note, bond, resolution, agreement, or other instrument to which the City is a party or to which the City or any of its property or assets is otherwise subject.

The addressees hereto and any permitted assignee of the Series 2021 Note may rely on this opinion.

Sincerely,

EXHIBIT C

FORM OF INVESTOR LETTER

This is to certify that Key Government Finance, Inc. (the "Lender") has not required the City of Green Cove Springs, Florida (the "City") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the City in connection with the issuance by the City of its Electric Utility Refunding Revenue Note, Series 2021 (the "Series 2021 Note") evidencing amounts due to the Lender relating to the loan from the Lender in the amount of \$9,800,000 (the "Loan") pursuant to a Loan Agreement, dated as of June 21, 2021, by and between the City and the Lender (the "Loan Agreement"). No inference should be drawn that the Lender, in the acceptance of the Series 2021 Note, is relying on Bryant Miller Olive P.A. ("Note Counsel"), Arnold Law ("City Attorney"), or PFM Financial Advisors, LLC (the "Financial Advisor") as to any such matters other than the legal opinions rendered by Note Counsel and by the City Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in the Loan Agreement.

We acknowledge and understand that Resolution No. R-08-2021, adopted by the Council on June 15, 2021 (the "Resolution") is not being qualified under the Trust Indenture Act of 1939, as amended, and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the City, Note Counsel, the City Attorney, nor the Financial Advisor shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, and are purchasing the Series 2021 Note as an investment for our own account and not with a present view to a resale or other distribution to the public. We understand that the Series 2021 Note may only be transferred in whole and not in part, and may not be transferred except to a Lender, savings association, insurance company, or other "accredited investor" in accordance with the restrictions set forth in the Series 2021 Note.

We are a qualified institutional buyer as defined by rule of the commission in accordance with Securities and Exchange Commission Rule 144A (17 C.F.R. s. 230.144(A)(a)), as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Series 2021 Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

DATED this 21st day of June, 2021.

KEY GOVERNMENT FINANCE, INC.

By: _____
Name:
Title:

EXHIBIT D

FORM OF DISCLOSURE LETTER

The undersigned, as purchaser and lender, proposes to negotiate with the City of Green Cove Springs, Florida (the "City") for the purchase of the City's Electric Utility Refunding Revenue Note, Series 2021 (the "Series 2021 Note") evidencing amounts due under a Loan Agreement, dated June 21, 2021, by and between Key Government Finance, Inc. (the "Lender") and the City in a principal amount of \$9,800,000 (the "Loan Agreement"). Prior to the award of the Series 2021 Note, the following information is hereby furnished to the City:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to the Lender in connection with the issuance of the Series 2021 Note (such fees and expenses to be paid by the City):

None

2. (a) No other fee, bonus, or other compensation is estimated to be paid by the Lender in connection with the issuance of the Series 2021 Note to any person not regularly employed or retained by the Lender (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Lender, as set forth in paragraph 1. above.

(b) No person has entered into an understanding with the Lender, or to the knowledge of the Lender, with the City, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the City and the Lender or to exercise or attempt to exercise any influence to effect any transaction in the purchase of Series 2021 Note.

3. The amount of the underwriting spread expected to be realized by the Lender is \$0.

4. The management fee to be charged by the Lender is \$0.

5. Truth-in-Bonding Statement:

The City is proposing to issue the Series 2021 Note for the purpose of refunding the Refunded Note, as more fully described in the Loan Agreement. The Series 2021 Note is expected to be repaid over a period of 12 years. Total interest expected to be paid on the Series 2021 Note will equal approximately \$1,060,142.68.

The source of repayment or security for the Series 2021 Note is the Net Revenues of the System (as such undefined terms are defined in Resolution No. R-08-2021, adopted by the

Council on June 15, 2021). The issuance of the Series 2021 Note will result in an annual average of \$902,921.79 of the Net Revenues not being available to finance the other services of the City each year for 12 years.

6. The name and address of the Lender is as follows:

Key Government Finance, Inc.
1000 S. McCaslin Blvd.
Superior, Colorado 80027

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Lender this 21st day of June, 2021.

KEY GOVERNMENT FINANCE, INC.

By: _____
Name:
Title: