

LOAN AGREEMENT

This LOAN AGREEMENT (this “Agreement”) is made and entered into as of June 9, 2022, and is by and between the Town of Highland Beach, Florida, a Florida municipal corporation (the “Town”), and Synovus Bank, and its successors and assigns as holder of the hereinafter defined Note (the “Lender”);

WHEREAS, the Town Commission of the Town did, on May 17, 2022, enact its Ordinance No. 2022-05 (the “Ordinance”) authorizing, among other things, the issuance of a promissory note of the Town in the principal amount not to exceed \$5,100,000 for the purpose of financing the herein described Project; and

WHEREAS, the Town Commission of the Town did, on June 7, 2022, adopt its Resolution No. 2022-__ (the “Resolution”) awarding said note in the principal amount not to exceed \$5,050,000 (the “Note”) to Synovus Bank (the “Lender”); and

WHEREAS, the Town hereby determines that it is desirable and in the best interest of the Town to enter into this Agreement whereby the Town will borrow funds (the “Loan”) from the Lender to pay a portion of the costs of the Project; and

WHEREAS, the obligation of the Town to repay such Loan shall be evidenced by the delivery of the Note to the Lender in the principal amount of the Loan; and

WHEREAS, the Note shall be issued pursuant to the terms and provisions of the Resolution and this Agreement; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the Resolution.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

ARTICLE I

DEFINITION OF TERMS

Section 1.01. Definitions. The words and terms used in this Agreement shall have the meanings as set forth in the Resolution and in the recitals above, unless otherwise defined herein. Unless the context shall otherwise require, the following words and terms as used in this Agreement shall have the following meanings:

“Act” Part II of Chapter 166, Florida Statutes, as amended, the Charter of the Town of Highland Beach, and other applicable provisions of law.

“Agreement” means this Loan Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

“Annual Budget” means the annual budget for the Town for each Fiscal Year in accordance with Section 3.01(j) below and in accordance with the laws of the State of Florida.

“Annual Debt Service Requirement” means for a given Fiscal Year the aggregate amount required to pay the principal and interest coming due on the Note and all other Included Debt during that Fiscal Year.

In determining the amount of principal and interest becoming due on any Included Debt in any Fiscal Year, the following rules shall apply:

(i) For purposes of this definition, the interest rate on any Included Debt which bears interest at a variable rate will be deemed to be the greater of (i) the average rate of interest borne by such Included Debt over the preceding twelve (12) month period (for proposed variable rate Included Debt based on the formula for calculating the interest rate set forth therein), or (ii) five percent (5.00%) per annum.

(ii) With respect to Balloon Indebtedness, the principal and interest becoming due shall be calculated based upon the assumption that the amount of principal and interest which will be payable in a given period is equal to the amount which would be payable on such Balloon Indebtedness if such Balloon Indebtedness were amortized on a level annual debt service basis, calculated on a Fiscal Year basis, from the date of such calculation over a period equal to twenty years, at an interest rate, if such Balloon Indebtedness bears interest at a fixed interest rate for its entire term, equal to the actual interest rate on such Balloon Indebtedness, and if such Balloon Indebtedness does not bear interest at a fixed rate for its entire term, bearing interest at a rate calculated in accordance with the methodology established above for Included Debt which bears interest at a variable rate. For purposes of the foregoing, adjustments to the interest rate on Balloon Indebtedness that are contingent upon the existence of an event of default or a change in the federal income tax treatment of such interest shall not in and of themselves cause such interest rate to be treated as "variable."

(iii) in the event in any Fiscal Year the Town receives Subsidy Payments with respect to any Included Debt, the principal and interest due on such Included Debt in such Fiscal Year shall be calculated net of the Subsidy Payments (that is by reducing the actual principal and interest by the amount of the Subsidy Payments).

“Authorized Depository” means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Town as a depository, which is authorized under Florida law to be a depository of municipal funds and which has qualified with all applicable state and federal requirements concerning the receipt of Town funds.

"Balloon Indebtedness" means indebtedness 25% or more of the total principal payments of which are due in a single Fiscal Year and which indebtedness is not required to be paid over its term on a substantially level debt service basis (calculated using the same assumption for Included

Debt which bears interest at a variable rate set forth in the definition of "Annual Debt Service Requirement") on a Fiscal Year basis.

“Bond Counsel” means counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

“Business Day” means any day other than a Saturday, Sunday or day on which banking institutions within the State of Florida are authorized or required by law to remain closed.

“Chief Financial Officer” means the chief financial officer of the Town as defined in Section 218.403, Florida Statutes.

“Clerk” means the Town Clerk or any Deputy Town Clerk.

“Code” means the Internal Revenue Code of 1986, as amended, including the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“Dated Date” means the date of issuance of the Note.

“Debt Service Fund” means the fund of that name established pursuant to Section 5.03 hereof.

“Event of Default” shall mean an event of default specified in Article VII of this Agreement.

“Fiscal Year” means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the Town pursuant to general law.

“Governing Body” means the Town Commission of the Town, or its successor in function.

“Governmental Authority” shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Holder” means the registered owner (or its authorized representatives) of the Note from time to time, initially the Lender.

"Included Debt" means all indebtedness of the Town payable from Legally Available Non-Ad Valorem Revenues or by a pledge of a particular source or sources of Legally Available Non-Ad Valorem Revenues.

“Legally Available Non-Ad Valorem Revenues” means all revenues of the Town derived from any source whatsoever, other than ad valorem taxation on real and personal property, which are legally available to make the payments of principal and interest on the Note, but only after provision has been made by the Town for payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Town, or which are legally mandated by applicable law.

“Lender” means Synovus Bank, and its successors and assigns.

“Loan” means the outstanding principal amount of the Note issued hereunder.

“Loan Documents” means this Agreement, the Note, the Resolution, the Ordinance and all other documents, agreements, certificates, schedules, notes, statements, and opinions, however described, referenced herein or executed or delivered pursuant hereto or in connection with or arising with the Loan or the transaction contemplated by this Agreement.

“Mayor” means the Mayor or Vice Mayor of the Town and such other person as may be duly authorized to act on his or her behalf.

“Maximum Annual Debt Service Requirement” means the maximum Annual Debt Service Requirement in the then current or any succeeding Fiscal Year.

“Note” means the Town’s Non-Ad Valorem Revenue Note, Series 2022, authorized to be issued pursuant to the Resolution in an aggregate principal amount not to exceed \$5,050,000.

“Ordinance” means Ordinance No. 2022-05, enacted by the Town on May 17, 2022, as the same may from time to time be amended, modified or supplemented.

“Person” means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

“Pledged Revenues” means (a) Town Moneys and (b) proceeds of the Note deposited with the Town until applied for payment of costs of the Project.

“Project” means the construction and equipping of a new fire station for the Town.

“Resolution” means Resolution No. 2022-__, adopted by the Town on June 7, 2022, as the same may from time to time be amended, modified or supplemented.

“State” means the State of Florida.

"Subsidy Payment" means any direct subsidy payments required to be made by the United States Department of Treasury or other federal governmental agency to the Town with respect to any Included Debt.

“Town” means the Town of Highland Beach, Florida, a Florida municipal corporation, and its successors and assigns.

“Town Manager” means the Town Manager or his or her designee.

“Town Moneys” means the moneys budgeted and appropriated by the Town and deposited into the Debt Service Fund from Legally Available Non-Ad Valorem Revenues pursuant to the Town’s covenant to budget and appropriate Legally Available Non-Ad Valorem Revenues contained in Section 3.04 of this Agreement.

Section 1.02. 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 purposes set forth herein and to sustain the validity hereof.

Section 1.03. Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS OF TOWN

The Town represents and warrants to the Lender that:

Section 2.01. Powers of Town. The Town is a political subdivision duly organized and validly existing as a municipal corporation under the laws of the State. The Town has the power to borrow the amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure the Note in the manner contemplated hereby, and to perform and observe all the terms and conditions of the Note and this Agreement on its part to be performed and observed. The Town may lawfully issue the Note in order to obtain funds to finance the Project.

Section 2.02. Authorization of Loan. The Town has, had or will have, as the case may be, full legal right, power, and authority to adopt the Resolution and to execute and deliver this Agreement, to issue, sell, and deliver the Note to the Lender, and to carry out and consummate all other transactions contemplated hereby and by the Loan Documents, and the Town has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The Town, by the Ordinance and the Resolution, has duly authorized the borrowing of the amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Note to the Lender, and to that end the Town warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Note. The Town has duly enacted the Ordinance and adopted the Resolution and authorized the

execution, delivery, and performance of the Note and this Agreement and the taking of any and all other such action as may be required on the part of the Town to carry out, give effect to and consummate the transactions contemplated by the Loan Documents. The Note has been duly authorized, executed, issued and delivered to the Lender and constitutes a legal, valid and binding obligation of the Town enforceable in accordance with its terms and the terms of the Resolution, and is entitled to the benefits and security of the Resolution and this Agreement. All approvals, consents, and orders of and filings with any Governmental Authority or agency which would constitute a condition precedent to the issuance of the Note or the execution and delivery of or the performance by the Town of its obligations under the Loan Documents have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

Section 2.03. Agreements. The making and performing by the Town of this Agreement will not violate any provision of the Act, or any ordinance or resolution of the Town, or any regulation, order or decree of any court, and will not result in a breach of any of the terms of any agreement or instrument to which the Town is a party or by which the Town is bound. The Loan Documents constitute legal, valid and binding obligations of the Town enforceable in accordance with their respective terms.

Section 2.04. Litigation, Etc. There are no actions or proceedings pending against the Town or affecting the Town or, to the knowledge of the Town, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the Town, or which question the validity of this Agreement, the Note or any of the other Loan Documents or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby. The Town is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound.

Section 2.05. Financial information. The financial information regarding the Town furnished to the Lender by the Town in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the Town from that presented in such information.

ARTICLE III

COVENANTS OF THE TOWN

Section 3.01. Affirmative Covenants. The Town covenants, for so long as any of the principal amount of or interest on the Note is outstanding and unpaid or any duty or obligation of the Town hereunder or under any of the other Loan Documents remains unpaid or unperformed, as follows:

- (a) Use of Proceeds. The Town covenants that the proceeds from the Note will be used only to pay the costs of the Project and to pay closing costs. The Town represents that upon issuance of the Note there will be no other bonds, loans or obligations of the Town secured by a covenant to budget and appropriate from Legally Available Non-Ad Valorem Revenues, or by a pledge of or lien on any particular source of Legally

Available Non-Ad Valorem Revenues, excepting only the Town's Promissory Note, Series 2007, currently outstanding in the principal amount of \$1,767,701.80.

- (b) Notice of Defaults. The Town shall within ten (10) days after it acquires knowledge thereof, notify the Lender in writing upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Lender with such written notice, a detailed statement by a responsible officer of the Town of all relevant facts and the action being taken or proposed to be taken by the Town with respect thereto.
- (c) Records. The Town agrees that any and all records of the Town shall be open to inspection by the Lender or its representative's at all reasonable times at the offices of the Town.
- (d) Maintain Existence. The Town shall do all things lawfully within its power to maintain its existence as a municipal corporation of the State, and shall not voluntarily dissolve.
- (e) Notice of Liabilities. The Town shall promptly inform the Lender of any actual or potential contingent liabilities or pending or threatened litigation of an amount of \$5,000,000 or greater that could reasonably be expected to have a material and adverse effect upon the financial condition of the Town or the Pledged Revenues.
- (f) Insurance. The Town shall maintain such liability, casualty and other insurance as is reasonable and prudent for similarly situated municipal corporations of the State and shall upon the request of the Lender, provide evidence of such coverage to the Lender.
- (g) Comply with Laws. The Town is in compliance with and shall comply with all applicable federal, state and local laws and regulatory requirements.
- (h) Taxes. In the event the Note, this Agreement or any other Loan Document should be subject to the excise tax on documents or the intangible personal property tax, or any similar tax, of the State of Florida, the Town shall pay such taxes or reimburse the Lender for any such taxes paid by it.
- (i) Investments. The Town shall invest only in obligations permitted by Section 218.345, Florida Statutes, or as stated in the Town's Investment Policy approved by the Town Commission.
- (j) Operating Budget; Financial Statements. Before the first day of each Fiscal Year the Governing Body shall prepare, approve and adopt in the manner prescribed by law, a detailed Annual Budget. Such Annual Budget shall provide for revenues sufficient to comply with the Town's obligations hereunder, including any unsatisfied obligations from prior Fiscal Years. The Town shall annually provide to the Lender (i) the Town's Annual Comprehensive Financial Report within 270 days of the end of each Fiscal Year and (ii) the Annual Budget within 45 days of adoption. The Town will also provide the Lender with any financial information the Lender shall reasonably request.

Section 3.02. Lender Fees and Expenses. The Town hereby agrees to pay the fees and expenses of counsel to the Lender in connection with the issuance of the Note in the amount of \$7,500, said amounts to be due and payable upon the issuance of the Note.

Section 3.03. Registration and Exchange of Notes; Persons Treated as Owners. So long as the Note shall remain unpaid, the Town will keep books for the registration and transfer of the Note. The Note shall be transferable only upon such registration books. The Town will transfer the registration of a Note upon written request of the Lender specifying the name, address and taxpayer identification number of the transferee.

The Person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Note shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

Section 3.04. Covenant to Budget and Appropriate. The Town covenants to budget and appropriate in its Annual Budget, by amendment if necessary, from Legally Available Non-Ad Valorem Revenues in each Fiscal Year, sufficient moneys to pay the principal of and interest on the Note in such Fiscal Year, until the Note is paid in full. Such covenant and agreement on the part of the Town shall be cumulative to the extent not paid, and shall continue until Legally Available Non-Ad Valorem Revenues or other available funds in amounts sufficient to make all required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Town, the Town does not covenant to maintain any services or programs now provided or maintained by the Town, which generate non-ad valorem revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Legally Available Non-Ad Valorem Revenues until deposited into the Debt Service Fund, nor, except as provided in Section 3.10 hereof, does it preclude the Town from pledging in the future a particular source or sources of non-ad valorem revenues. Such covenant to budget and appropriate Legally Available Non-Ad Valorem Revenues is subject in all respects to the payment of obligations heretofore or hereafter (but only to the extent permitted by Section 3.10 hereof) entered into, including but not limited to the payment of debt service on bonds and other debt instruments. However, the covenant to budget and appropriate in its Annual Budget for the purposes and in the manner stated herein shall have the effect of making available in the manner described herein Legally Available Non-Ad Valorem Revenues and placing on the Town a positive duty to budget and appropriate, by amendment if necessary, amounts sufficient to meet its obligations hereunder.

Section 3.05. Payment of Principal and Interest; Note not a General Obligation of the Town. The Note is a special obligation of the Town and is payable solely in the manner and to the extent set forth in this Agreement. The Town hereby pledges and grants to the Lender, for the payment of the principal of, premium if any, and interest on, the Note in accordance with the terms and the provisions of this Agreement, the Pledged Revenues.

The Town promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Note shall not be or constitute a general obligation or indebtedness of the Town within the meaning of the Constitution of Florida, but shall be payable solely from and secured by the covenant of the Town to budget and appropriate Legally Available Non-Ad Valorem Revenues and a pledge of and lien on the Pledged Revenues, in the manner and to the extent herein provided. No Holder shall ever have the right to compel the exercise of the ad valorem taxing power of the Town or taxation in any form on any real or personal property to pay such Note or the interest thereon, nor shall any Holder be entitled to payment of such principal and interest from any other funds of the Town other than the than the Legally Available Non-Ad Valorem Revenues, all in the manner and to the extent herein provided. The Holders shall have no lien upon any real or tangible personal property of the Town.

Section 3.06. Redemption. The Town shall be entitled to prepay the Note prior to maturity in whole or in part, in the manner and subject to the conditions set forth in the form of Note attached as Exhibit "A" hereto.

Section 3.07. Business Days. In any case where the due date of interest on or principal of the Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that interest shall continue to accrue until the payment is actually received by the Lender.

Section 3.08. Officers and Employees of the Town Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Agreement or the Note or for any claim based thereon or otherwise in respect thereof, shall be had against any Town Commission Member, or any officer, agent or employee, as such, of the Town past, present or future, it being expressly understood (a) that the obligation of the Town under this Agreement and the Note is solely a corporate one, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the Town Commission, or the officers, agents, or employees, as such, of the Town, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such Town Commission Member, and every officer, agent, or employee, as such, of the Town under or by reason of the obligations, covenants or agreements contained in this Agreement, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the Note on the part of the Town.

Section 3.09. Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Town shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Holder furnishing the Town proof of ownership thereof and complying with such other reasonable regulations and conditions as the Town may prescribe and paying such expenses as the Town may incur. The Note so mutilated, destroyed, stolen or lost shall be canceled, and shall be of no further force and effect.

Section 3.10. Anti-Dilution Covenant. The Town shall not incur any Included Debt unless the amount of Legally Available Non-Ad Valorem Revenues during the Fiscal Year of the Town most recently concluded prior to the incurrence of such Included Debt and for which audited financial statements of the Town are available, adjusted as hereinafter provided, equals or exceeds 125% of the Maximum Annual Debt Service Requirement on all Included Debt, including the proposed debt.

For purposes of this Section 3.10, the amount of any Subsidy Payments received in any Fiscal Year that are applied to reduce the Annual Debt Service Requirement on any Included Debt pursuant to the definition of "Annual Debt Service Requirement" shall be excluded from the amount of Legally Available Non-Ad Valorem Revenues in such Fiscal Year.

For purposes of this Section 3.10, (a) the phrase "essential public purposes affecting the health, welfare and safety of the inhabitants of the Town" in the definition of Legally Available Non-Ad Valorem Revenues means expenditures under the line items "Public Safety" and "General Government," as well as "Operating Expenses" (excluding depreciation) of the Water and Sewer Fund in the Town's audited financial statements, and (b) other indebtedness of the Town includes any obligations under a lease that is generally considered a capital lease versus an operating lease.

Section 3.11. Tax Representations, Warranties and Covenants of the Town. Notwithstanding anything herein to the contrary, the Town hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Note to be and remain excluded from the gross income of the Holder for federal income tax purposes, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The Town acknowledges that the continued exclusion of interest on the Note from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The Town hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The Town hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Note or other funds of the Town to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Note to be an arbitrage bond for purposes of Sections 103(b)(2) and 148 of the Code. The Town further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Sections 103(b)(2) and 148 of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the Town covenants and agrees:

- (a) to pay to the United States of America at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments

(as defined in Section 148(f)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Note, plus any income attributable to such excess (the “Rebate Amount”);

- (b) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code; and
- (c) to comply with all representations and restrictions contained in any Non Arbitrage Certificate executed by the Town in connection with the Note.

The Town understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

Section 3.12. Additional Tax Covenants of the Town. For so long as the Note remains outstanding, the Town hereby covenants as follows:

It will comply with, and timely make or cause to be made all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or the Internal Revenue Service;

- (a) It will not use, invest, direct or permit the investment of the proceeds of the Note or any investment earnings thereon in a manner that will result in such Note becoming a “private activity bond” within the meaning of Sections 141 and 145 of the Code;
- (b) It will not use or permit to be used more than ten percent (10%) of the proceeds of the Note (including any amounts used to pay costs associated with issuing such Note), including all investment income earned on such proceeds directly or indirectly, in any trade or business carried on by any person who is not the Town or a state or political subdivision or instrumentality thereof as those terms are used in Section 103 of the Code (an “Exempt Person”);
- (c) It will not use or permit the use of any portion of the proceeds of the Note, including all investment income earned on such proceeds, directly or indirectly, to make or finance loans to persons who are not Exempt Persons;
- (d) It has not entered into, and will not enter into, any arrangement with any person or organization (other than an Exempt Person) which provides for such person or organization to manage, operate, or provide services with respect to more than 10% of the property financed with the proceeds of the Note (a “Service Contract”), unless the guidelines set forth in Revenue Procedure 2017-13, to the extent applicable, or any new, revised or additional guidelines applicable to Service

Contracts) (the “Guidelines”), are satisfied, except to the extent it obtains a private letter ruling from the Internal Revenue Service or an opinion of nationally recognized Bond Counsel which allows for a variation from the Guidelines.

- (e) It will not cause the Note to be treated as “federally guaranteed” for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to “federally guaranteed” obligations described in Section 149 of the Code. For purposes of this paragraph, the Note shall be treated as “federally guaranteed” if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) 5% or more of the proceeds of the Note will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (B) invested directly or indirectly in federally insured deposits or accounts, and (iii) such guarantee is not described in Section 149(b)(3) of the Code; and
- (f) It will comply with the information reporting requirements of Section 149(e)(2) of the Code.

The terms “debt service,” “gross proceeds,” “net proceeds,” “proceeds,” and “yield” have the meanings assigned to them for purposes of Section 148 of the Code.

ARTICLE IV

CONDITIONS OF LENDING

Section 4.01. Conditions of Lending. The obligations of the Lender to lend hereunder are subject to the following conditions precedent:

- (a) Representations and Warranties. The representations and warranties set forth in the Loan Documents are and shall be true and correct to the best of the Town's knowledge on and as of the date hereof.
- (b) No Default. On the date hereof the Town shall be in compliance with all the terms and provisions set forth in the Loan Documents on its part to be observed or performed, and no Event of Default nor any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.
- (c) Supporting Documents. On or prior to the date hereof, the Lender shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Lender (such satisfaction to be evidenced by the purchase of the Note by the Lender):

- (i) The opinion of the Attorney for the Town, regarding the due authorization, execution, delivery, validity and enforceability of this Agreement and the Note, the Town's power to incur the debt evidenced by the Note and to secure such debt with a covenant to budget and appropriate the Town's Legally Available non-Ad Valorem Revenues, the due enactment of the Ordinance and adoption of the Resolution, and the absence of material litigation;
- (ii) The opinion of Bond Counsel to the effect that, (i) the interest on the Note is excluded from gross income for federal income tax purposes (ii) the Note is not an item of tax preference under Section 57 of the Code, (iii) the Note is a qualified tax-exempt obligation under Section 265(b)(3) of the Code, and (iv) the Note and this Agreement are valid obligations of the Town, enforceable against the Town in accordance with their terms; and
- (iii) Such additional supporting documents as the Lender may reasonably request.

Section 4.02 Procedure for Making Draws on the Note.

- (a) Draw Limitations. Draws may be made on the Note beginning on the Dated Date and ending eighteen (18) months from the Dated Date (the "Draw Period"). The total principal amount permitted to be drawn on the Note is \$5,050,000. The Town must draw at least \$50,001 on the Note on the Dated Date, but no further draws shall be required.
- (b) Conditions to Draws. Prior to each draw on the Note, the Town shall provide Lender with a Draw Certificate in the form attached hereto as Exhibit "B." The Lender may review each draw request to satisfy itself that the proceeds of the draw will be used for a purpose permitted hereunder.
- (c) Execution. Each Draw Certificate shall be signed by the Town by the Town Manager or the Town Finance Director.
- (d) Repayment of Draws. Each draw shall accrue interest from the date the Lender makes the advance thereon. Interest shall be payable semi-annually in arrears as provided in the Note. Principal shall be repaid in accordance with an amortization schedule to be provided by the Lender no later than ten (10) days from the date of the final draw.
- (e) No Reborrowing. The Town shall not be permitted to reborrow amounts that have been drawn and repaid.

ARTICLE V

THE LOAN; TOWN'S OBLIGATION; DESCRIPTION AND PAYMENT TERMS

Section 5.01. The Loan. The Lender hereby agrees to loan to the Town the amount of up to \$5,050,000 to be evidenced by the Note, to provide funds to pay a portion of the costs of the

Project and to pay closing costs upon the terms and conditions set forth in the Resolution and in this Agreement. The Town agrees to repay the principal amount borrowed plus interest thereon, upon the terms and conditions set forth in the Loan Documents.

Section 5.02. Description and Payment Terms of the Note. To evidence the Loan, the Town shall issue and deliver to the Lender the Note in substantially the form attached hereto as Exhibit "A."

Section 5.03. Establishment of Debt Service Fund. There is hereby created and established with the Town a fund designated the "Debt Service Fund." The Debt Service Fund shall constitute a trust fund for the purposes hereof.

Section 5.04. Application of Revenues.

(a) On or before 12:00 Noon on the last Business Day prior to each date on which principal of or interest on the Note is due, the Town shall deposit into the Debt Service Fund an amount of Legally Available Non-Ad Valorem Revenues (which at the time of such deposit become Town Moneys and Pledged Revenues) at least equal to the principal of and interest on the Note due on such date.

(b) The Town shall pay out of the Debt Service Fund to the Lender (i) on or before each interest payment date for the Note, the amount required for the interest payable on such date; and (ii) on or before each principal payment date for the Note, the amount of principal payable on such date.

Section 5.05. Accounting for Funds. The designation and establishment of the Debt Service Fund by this Agreement shall not be construed to require the establishment of any completely independent funds but rather is intended solely to constitute an allocation of certain revenues and assets of the Town for certain purposes and to establish certain priorities for application of certain revenues and assets as herein provided.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01. General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

- (a) The Town shall fail to make any payment of the principal of or interest on the Note within five Business Days of when the same become due and payable, or
- (b) The Town shall default in the performance of or compliance with any term or covenant contained in the Loan Documents, other than a term or covenant a default in the performance of which or noncompliance with which is dealt with in this Section 6.01(a) or (c) through (g) hereof, which default or non-compliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the Town by the Lender; or (ii)

the Lender is notified of such noncompliance or should have been so notified pursuant to the provisions of Section 3.01(b) of this Agreement, whichever is earlier; provided however, that such cure period shall be extended to ninety (90) days if the nature of such default is such that it cannot be corrected within thirty ((30) days, corrective action is initiated by the Town within such thirty (30) day period, and the Town is diligently pursuing such cure to completion. or

- (c) Any representation or warranty made in writing by or on behalf of the Town in any Loan Document shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or
- (d) The Town admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or
- (e) The Town is adjudged insolvent by a court of competent jurisdiction, or it is adjudged a bankrupt on a petition in bankruptcy filed by or against the Town, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Town, a receiver or trustee of the Town or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or
- (f) The Town shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida; or
- (g) The Town shall fail to promptly remove any execution, garnishment or attachments of such consequence as will materially impair its ability to carry out its obligations hereunder and under the Note.

Section 6.02. Effect of Event of Default. Should the Town default in any obligation created by this Agreement or the Note, the Lender may, in addition to any other remedies set forth in this Agreement or the Note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted or contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the Town or by any officer thereof. Upon an Event of Default, the Lender may recover from the Town all expenses incurred including without limitation reasonable attorneys' fees, at all levels of the proceedings, whether incurred in connection with collection, bankruptcy proceedings, trial, appeal or otherwise. Provided, that acceleration shall not be an available remedy.

ARTICLE VII

MISCELLANEOUS

Section 7.01. No Waiver; Cumulative Remedies. No failure or delay on the part of the Lender in exercising any right, power, remedy hereunder, or under the Note or other Loan Documents shall operate as a waiver of the Lender's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 7.02. Amendments; Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except by written instrument between the Lender and the Town. The Town agrees to pay all of the Lender's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the Town's request or behest.

Section 7.03. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 7.04. Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 7.05. Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the Town in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Note is outstanding.

Section 7.06. Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; the day it is sent, if sent by e-mail; the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to:

If to the Town: Town of Highland Beach
3614 South Ocean Boulevard
Highland Beach, Florida 33487
Attention: Town Manager
mlabadie@highlandbeach.us

with a copy to: Torcivia, Donlon, Goddeau & Rubin, P.A.
701 Northpoint Parkway, Suite 209
West Palm Beach, FL 33407
Attention: Glen Torcivia, Town Attorney

glen@torcivialaw.com

If to the Lender: Synovus Bank
1148 Broadway
Columbus, GA 31901

With a copy to:

Synovus Bank
7768 Ozark Drive, Suite 100
Jacksonville, FL 32256
andylafear@synovus.com

or to such other address as either party may have specified in writing to the other using the procedures specified above in this Section 7.06.

Section 7.07. Applicable Law. The Loan Documents shall be governed by applicable federal law and the internal laws of the State.

Section 7.08. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The Town shall have no right to assign any of its rights or obligations hereunder without the prior written consent of the Lender.

Section 7.09. Conflict. In the event any conflict arises between the terms of this Agreement and the terms of any other Loan Document, the terms of this Agreement shall govern in all instances of such conflict.

Section 7.10. No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 7.11. Entire Agreement. Except as otherwise expressly provided, this Agreement and the other Loan Documents embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 7.12. Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.

Section 7.13. Waiver of Jury Trial. The Town knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury, with respect to any litigation or legal proceedings based on or arising out of the Loan Documents, including any course of conduct, course of dealings, verbal or written statement or actions or omissions of any party which in any way relates to the Loan Documents.

Section 7.14. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of the Note), the Town acknowledges and agrees, that: (a) (i) the Town has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) the Town is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the Note, (iii) the Lender is not acting as a municipal advisor or financial advisor to the Town, and (iv) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the Town with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Town on other matters); (b) (i) the Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Town or any other person and (ii) the Lender has no obligation to the Town, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the Note; and (c) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the Town, and the Lender has no obligation to disclose any of such interests to the Town. This Agreement and the Note are entered into pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 *et seq*, to the extent that such rules apply to the transactions contemplated hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

TOWN OF HIGHLAND BEACH,
FLORIDA

By: _____
Douglas Hillman, Mayor

(SEAL)

ATTEST:

By: _____
Lanelda Gaskins, MMC
Town Clerk

REVIEWED FOR LEGAL SUFFICIENCY:

By: _____
Glen Torcivia
Town Attorney

SYNOVUS BANK

By: _____
Andy LaFear, Relationship Manager
Government Banking Solutions

EXHIBIT “A”

FORM OF NOTE

THIS NOTE MAY NOT BE TRANSFERRED BY THE REGISTERED OWNER HEREOF TO ANY PERSON OTHER THAN (I) TO A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED); OR (II) TO AN “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED).

June 9, 2022

\$5,050,000

TOWN OF HIGHLAND BEACH, FLORIDA

NON-AD VALOREM REVENUE NOTE, SERIES 2022

KNOW ALL MEN BY THESE PRESENTS that the Town of Highland Beach, Florida (the “Town”), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of SYNOVUS BANK, or registered assigns (hereinafter, the “Lender” or the “Holder”), the principal sum of not to exceed \$5,050,000 or such lesser amount as shall be drawn and outstanding hereunder from time to time, together with interest on the principal balance outstanding at the rate of 3.26% per annum (the “Note Rate”) (subject to adjustment as hereinafter provided), based upon a 360 day year consisting of twelve 30 day months.

Principal of and interest on this Note are payable in lawful money of the United States of America as provided in the hereinafter described Loan Agreement, or in such other manner as may be agreed upon by the Lender and the Town from time to time.

The principal on this Note shall be due and payable on March 30 and September 30 of each year, beginning March 30, 2024, through and including March 30, 2032 (the “Maturity Date”), in principal amounts to be established by the Lender in accordance with Section 4.02(d) of the herein described Loan Agreement.

Interest on this Note shall be due and payable semi-annually beginning on September 30, 2022 and on each March 30 and September 30 thereafter until the Maturity Date.

The entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date. All payments by the Town pursuant to this Note shall apply first to accrued interest, then to other charges due the Lender, and the balance thereof shall apply to the principal sum due.

Upon the occurrence of an Event of Default (as defined in the hereinafter described Loan Agreement) until such Event of Default has been cured this Note shall bear interest at the lesser of

(a), the “prime rate” as announced by the Lender from time to time, plus 500 basis points, or (b) the maximum rate permitted by law.

As used in this Note,

(1) “Code” means the Internal Revenue Code of 1986, as amended, including the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions;

(2) “Determination of Taxability” shall mean that, due to acts or omissions of the Town, interest on this Note is determined or declared, by the Internal Revenue Service or a court of competent jurisdiction to be includable in the gross income of the Registered Owner for federal income tax purposes under the Code.

Upon the occurrence of a Determination of Taxability, the interest rate on this Note shall be adjusted to a rate equal to the interest rate otherwise borne hereby divided by (1 minus the then maximum federal corporate income tax rate applicable to the Registered Owner) (the “Adjusted Interest Rate”) calculated on the basis of a 360-day year consisting of twelve 30-day months, as of and from the date such Determination of Taxability would be applicable with respect to this Note (the “Accrual Date”); and (i) the Town shall on the next interest payment date (or if this Note shall have matured, within thirty days after demand by the Registered Owner) hereon pay to the Registered Owner an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Note at the Adjusted Interest Rate from the Accrual Date to such interest payment date (or payment date following such demand), and (B) the actual interest paid by the Issuer on this Note from the Accrual Date to such interest payment date (or payment date following such demand), and (2) any interest and penalties required to be paid as a result of any additional State of Florida and federal income taxes imposed upon the Registered Owner arising as a result of such Determination of Taxability; and (ii) from and after the Date of Determination of Taxability, this Note shall continue to bear interest at the Adjusted Interest Rate for the period such determination continues to be applicable with respect to this Note. The adjustment shall survive payment of this Note until such time as the federal statute of limitations under which the interest on this Note could be declared taxable under the Code shall have expired.

The Town has designated this Note as a “qualified tax-exempt obligation” (QTEO) for purposed of Section 265 of the Code. If it should ever be determined that, due to acts or omissions of the Town, this Note is not a QTEO, then the interest rate on this Note shall be adjusted to 3.47%. This adjustment shall survive payment of this Note until such time as the federal statute of limitations under which this Note could be declared not to be a QTEO shall have expired.

No Determination of Taxability shall be deemed to occur unless the Town has been given timely written notice of such occurrence by the Registered Owner and, to the extent permitted by law, an opportunity to participate in and seek, at the Town’s own expense, a final administrative determination by the Internal Revenue Service or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the occurrence of such Determination of Taxability; provided that the Town, at its own expense, delivers to the Registered

Owner an opinion of bond counsel acceptable to such Registered Owner to the effect that such appeal or action for judicial or administrative review is not without merit and there is a reasonable possibility that the judgment, order, ruling or decision from which such appeal or action for judicial or administrative review is taken will be reversed, vacated or otherwise set aside.

Notwithstanding the foregoing, in no event shall the interest rate payable on this Note exceed the maximum rate permitted by law.

This Note shall be subject to redemption in whole or in part on any date at the option of the Issuer upon giving at least ten (10) days written notice to the Holder, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon. In the event of a partial redemption, prepayments shall be applied to principal in inverse order of maturity, unless the Town and the Holder shall agree otherwise in writing.

The Town to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is issued pursuant to a resolution duly adopted by the Town on June 7, 2022, as from time to time amended and supplemented (herein referred to as the “Resolution”), and a Loan Agreement, dated of even date herewith, between the Town and the Lender (the “Loan Agreement”) and is subject to all the terms and conditions of the Loan Agreement. All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement. The Town will use the proceeds of the Note to finance the Project and refund the Refunded Note

This Note and the interest hereon are secured solely by and payable from the Town’s covenant to budget and appropriate in its Annual Budget, by amendment if necessary, from Legally Available Non-Ad Valorem Revenues in each Fiscal Year, sufficient moneys to pay the principal of and interest on the Note in such Fiscal Year, until the Note is paid in full, in the manner, to the extent and subject to the provisions of the Loan Agreement, and by a pledge of and lien on the Pledged Revenues, in the manner and to the extent in the Loan Agreement provided. Reference is hereby made to the Loan Agreement for the provisions, among others, relating to the terms, lien and security of the Note, the custody and application of the proceeds of the Note, the rights and remedies of the Holder of the Note, and the extent of and limitations on the Town's rights, duties and obligations, to all of which provisions the Holder hereof for himself and his successors in interest assents by acceptance of this Note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS NOTE THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE TOWN OR ANY OTHER POLITICAL SUBDIVISION

OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE LOAN AGREEMENT

It is further agreed between the Town and the Holder of this Note that this Note and the indebtedness evidenced hereby shall not constitute a lien upon any tangible personal property of or in the Town, but the Note shall only be secured by the Town's covenant to budget and appropriate from Legally Available Non-Ad Valorem Revenues and a pledge of and lien on the Pledged Revenues, in the manner and to the extent provided in the Loan Agreement. Neither the members of the governing body of the Town nor any person executing the Note shall be liable personally on the Note by reason of its issuance.

This Note may be exchanged or transferred by the Holder hereof but only upon the registration books maintained by the Town and in the manner provided in the Loan Agreement.

This Note shall not require delivery for prepayment or principal installment payment.

The Town acknowledges that it has been notified by the Lender that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (the "Act"), the Lender may be required to obtain, verify and record information that identifies the Town, which information includes the name and address of the Town and other information that will allow the Lender to identify the Town in accordance with the Act.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town of Highland Beach, Florida has caused this Note to be executed in its name by the manual signature of its Mayor, and attested by the manual signature of its Town Clerk and its corporate seal or a facsimile thereof affixed hereto, all as of this _____ day of June, 2022.

TOWN OF HIGHLAND BEACH, FLORIDA

By: _____
Title: Mayor

[SEAL]

ATTEST:

By: _____

Title: Town Clerk

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note in the books kept by the Town for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Note in every particular, or any change whatever.

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

[Form of Abbreviations]

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

- TEN COM – as tenants in common
- TEN ENT – as tenants by the entireties
- JT TEN – as joint tenants with the right of survivorship and not as tenants in common
- UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under Uniform Transfers to Minors Act of _____ (State).

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

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

EXHIBIT "B"

FORM OF DRAW CERTIFICATE

Synovus Bank
7768 Ozark Drive, Suite 100
Jacksonville, FL 32256
Attn: Andy LaFear
Government Banking Solutions

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

1. This certificate is being provided to Synovus Bank (the "Lender") in accordance with Section 4.02 of that certain Loan Agreement dated June __, 2022 between the Town and the Lender (the "Loan Agreement"), in order to permit the Town to make a draw on the Note issued thereunder (the "Note"). Draws are permitted in the aggregate amount not to exceed \$5,050,000.

2. The Town hereby requests a draw in the amount of \$_____. The proceeds of this draw will be used to pay costs of the Project (as defined in the Loan Agreement) After this draw, the Town will have \$_____ available to be drawn.

3. As of the date of this certificate, the undersigned is the duly appointed and serving [Town Manager] [Finance Director] (circle one) of the Town as such is authorized to execute this certificate on behalf of the Town.

5. No Event of Default has occurred under the Loan Agreement and no event has occurred and is continuing under the provisions of the Loan Agreement which, with the lapse of time or the giving of notice, or both, would constitute an Event of Default thereunder.

WITNESS my hand and the corporate seal of the Town this ____ day of _____.

TOWN OF HIGHLAND BEACH,
FLORIDA

By: _____

Name: _____

Title: _____

[SEAL]