

LOAN AGREEMENT

between

CITY OF LAKE WORTH BEACH, FLORIDA

and

REGIONS CAPITAL ADVANTAGE, INC.

Dated as of June __, 2024

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This LOAN AGREEMENT made and entered as of June __, 2024 (this "Agreement"), by and between the CITY OF LAKE WORTH BEACH, FLORIDA (the "City") and Regions Capital Advantage, Inc. (the "Lender").

W I T N E S S E T H

WHEREAS, the City has determined that it is necessary, desirable and in the best interests of the City and its inhabitants that the City issue \$15,000,000 principal amount of its Capital Improvement Revenue Note, Series 2024 (the "Note"), for the principal purpose of financing the construction and renovation of capital additions, extensions, and improvements within the City (the "Project").

WHEREAS, the City has determined that it is without adequate currently available funds to finance the Project and it is necessary that funds be made immediately available to the City in order to finance the Project.

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

WHEREAS, the Lender has agreed to lend the City the principal amount of \$15,000,000 in return for the Note.

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 covenant to budget and appropriate from its Non-Ad Valorem Revenues (as defined herein) amounts sufficient to repay the principal of and interest on the Note when due, as provided herein.

WHEREAS, the Note shall 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 (as defined herein), but shall be and is hereby declared to be a special, limited obligation of the City, the principal of and interest on which is payable solely from the Pledged Funds (as defined herein) in the manner provided herein, the principal of and interest on the Note and all other payments provided for herein to be paid solely from the Pledged Funds, and it will never be necessary or authorized to levy taxes on any real property of or in the City to pay the principal of or interest on the Note or other payments provided for herein. Furthermore, neither the Note nor the interest thereon shall be or constitute a lien upon the Project or upon any other property of or in the City other than the Pledged Funds in the manner provided herein.

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

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

"Act" means Chapter 166, Part II, Florida Statutes, the City Charter of the City, and other applicable provisions of law.

"Annual Debt Service" means the aggregate amount of Debt Service on the Note for each applicable Fiscal Year.

"Board" means the City Commission of the City.

"Business Day" means any day of the year on which banks in the City are not required or authorized by law to remain closed and on which the Lender and the Paying Agent are open for business.

"City" means the City of Lake Worth Beach, Florida, a municipal corporation of the State.

"City Attorney" means the person or firm serving as city attorney for the City.

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

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

"Debt Service" means, at any time, the aggregate amount in the then applicable period of time of (1) interest required to be paid on the Note during such period of time, except to the extent that such interest is to be paid from Note proceeds for such purpose, and (2) principal due on the Note during that time, as if the principal of and interest on such Note were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of 25 years.

"Default Rate" shall mean the lesser of (i) the Stated Rate plus 6.00% per annum and (ii) the maximum lawful rate.

"Determination of Taxability" means the occurrence after the date hereof of a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of the Note is or was includable in the gross income of the Lender for Federal income tax purposes as a result of action or inaction by the City; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the City has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity at the City's own expense to contest the same, either directly or in the name of the Lender, and until the conclusion of any appellate review, if sought. For all purposes of this definition, the effective date of any Determination of Taxability will be the first date as of which interest is deemed includable in the gross income of the registered owner of the Note.

"Event of Default" or "Events of Default" shall mean the occurrence of any one or more of the events described in Section 16 hereof.

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

"Lender" means Regions Capital Advantage, Inc., as initial registered owner of the Note, or its successor in interest or its assigns.

"Maturity Date" means April 1, 2028.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which the Note is Outstanding.

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

"Non-Ad Valorem Revenues" means total revenues of the City from any source whatsoever, other than revenues generated from ad valorem taxation on real or personal property, and which are legally available to make the payments required herein, after application as necessary for the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of inhabitants of the City or are otherwise mandated by law.

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

"Outstanding" means when used with reference to the Note and as of any particular date, shall describe the Note theretofore and thereupon being authenticated and delivered except (1) any Note in lieu of which another Note has been issued under Section 7 hereof to replace a lost, mutilated or destroyed Note, or (2) any Note surrendered by the registered owner thereof in exchange for another Note under Section 6 hereof.

"Paying Agent" means the Clerk.

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

"Pledged Funds" means, until applied in accordance with the provisions of this Loan Agreement, all Non-Ad Valorem Revenues budgeted and appropriated pursuant to the covenant set forth in Section 9 hereof and all moneys, including investments thereof, in the Project Fund established hereunder.

"Project Fund" shall mean the fund created and established pursuant to Section 10(F) hereof.

"Regions Investment" shall mean interest-bearing qualified public depository account held at Regions Bank bearing interest at the Federal Funds rate less 80 basis points.

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

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

"Regulations" means the Income Tax Regulations promulgated by the Internal Revenue Service under Sections 103, 141 through 150 and 265 of the Internal Revenue Code of 1986 in effect from time to time.

"Resolution" means Resolution No. _____, adopted by the City Commission on June 4, 2024.

"State" means the State of Florida.

"Stated Rate" shall mean ____%, subject to adjustment as set forth in Section 4(C) hereof. In addition, upon the occurrence and continuance of an Event of Default as set forth in Section 20 hereof, the Note shall bear interest at the Default Rate.

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

SECTION 3. THE LOAN.

A. Loan. The Lender hereby makes and the City hereby accepts the loan in the principal amount of \$15,000,000 upon the terms and conditions herein.

B. Disbursement of Proceeds. Proceeds of the loan shall be disbursed into the Project Fund on the date of closing of the loan.

SECTION 4. DESCRIPTION OF NOTE.

A. General. The loan shall be evidenced by the Note. The Note shall be delivered to and purchased by the Lender on June __, 2024 and shall bear interest at the Stated Rate. The Note shall be dated as of the date of initial delivery thereof; shall mature on April 1, 2028, shall be in registered form; and shall bear interest from its date of delivery, until payment of the principal amount thereof, at the Stated Rate. Interest on the Note shall be payable on each April 1 and October 1, commencing October 1, 2024 and at the maturity of the Note, calculated on a basis of 360 days comprised of twelve, 30-day months. Principal shall be paid in full on the Maturity Date.

B. Prepayment. The Note may be prepaid in whole or in part, at a price of par plus accrued interest to the date of prepayment, without penalty, if in whole on any Business Day and if in part on any interest payment date, in each case commencing May __, 2026, upon at least two Business Days' prior written notice specifying the amount of prepayment. Any partial prepayment shall be in a minimum principal amount of \$100,000, and shall be applied by the Lender in its sole discretion.

C. Adjustment of Interest Rate Upon Determination of Taxability. If a Determination of Taxability shall occur, then the interest rate on the Note shall be adjusted to cause the yield on the Note, after payment of any increase in tax, to equal what the yield on the Note would have been in the absence of such Determination of Taxability, taking into account the increased taxable income of the holder as a result of such Determination of Taxability (the "Taxable Rate"), and this adjustment shall survive payment on the Note until such time as the Federal statute of limitations under which interest on the Note could be declared taxable under the Code shall have expired. In addition, upon a Determination of Taxability, the City shall, immediately upon demand, pay to the holder of the Note (or prior holder, if applicable) (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Note during the Taxable Period (as defined below) and (B) the amount of interest that would have been paid during the Taxable Period had the Note borne interest at the Taxable Rate, and (ii) an amount equal to any interest, penalties and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the holder as a result of the Determination of Taxability. As used herein, "Taxable Period" shall mean the period of time between (a) the date that interest on the Note is deemed to be included in the gross income of the owner thereof for federal income tax purposes as a result of a Determination of Taxability, and (b) the date of the Determination of Taxability and after which the Note bears interest at the Taxable Rate.

The above adjustments shall be cumulative, but in no event shall the interest on the Note exceed the maximum rate permitted by law. The above adjustments to the interest rate on the Note shall be effective for all periods during which tax treatment of the interest on the Note by the Lender is affected. Proper partial adjustment shall be made if the tax treatment is effective after the first day of the Lender's tax year or if the interest on the Note does not accrue for the entire tax year of the Lender.

The Lender shall promptly notify the City in writing of any adjustment to the interest rate as required above and the calculation of the interest rate by the Lender shall be binding, absent manifest error. The Lender shall certify to the City in writing the additional amount, if any, due to the Lender as a result of an adjustment in the interest rate pursuant hereto.

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

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

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

Ownership of the Note may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of the 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, as the case may be, a new fully registered Note of the same maturity and interest rate and for the aggregate principal amount as the Note surrendered. The Note may not be transferred except in whole to a Permitted Lender. A "Permitted Lender" shall mean any bank, trust company, savings institution, finance or leasing company, "accredited investor" or "qualified institutional buyer" pursuant to Rule 144A promulgated under the Securities Act of 1933, or insurance company that is engaged as a regular part of its business in making loans and is authorized to do business in the State. Notwithstanding the foregoing, the Lender may sell participations in the Note to any number of participants.

The 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 form and with guaranty of signature satisfactory to the City or the Registrar, duly executed by the registered owner or by his duly authorized attorney.

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

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

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

SECTION 7. NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case any Note shall be mutilated, or be destroyed, stolen or lost, upon the registered owner furnishing the Registrar proof of its ownership thereof 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 Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Note, upon surrender of such mutilated Note, if any, to the Registrar and the cancellation thereof; *provided, however*, if the Note shall have matured or be about to mature, instead of issuing a substitute Note, the City may pay the same, and if such Note be lost, stolen or destroyed, without surrender thereof. Any Note surrendered under the terms of this Section 7 shall be canceled by the Registrar.

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

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

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

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the registered owner of the Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such

Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on Notes and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of principal and interest on the Note, in the manner described herein, Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law. The City agrees that its covenant and agreement to budget and appropriate Non-Ad Valorem Revenues shall be deemed entered into for the benefit of the holder of the Note, and this obligation may be enforced by a court of competent jurisdiction.

The Note shall not constitute a general obligation or indebtedness of the City, and the Lender shall never have the right to require 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 Note. The City does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Note.

SECTION 10. COVENANTS OF THE CITY. So long as any of the principal of or interest on the Note shall be outstanding and unpaid, the City covenants with the Lender as follows:

A. Tax Compliance. The City will take all actions necessary to maintain the exclusion from gross income of interest on the Note to the same extent as such existed on the date of issuance of the Note.

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

C. Annual Budget and Other Information. The City shall prepare its annual budget in accordance with Florida law, and shall provide the Lender a copy of its final annual budget for each Fiscal Year within 30 days of adoption thereof by the Board (but not more than 30 days after the start of each Fiscal Year), together with such other information the Lender may reasonably request, in form satisfactory to the Lender.

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

hereunder and to control the restricted uses of such moneys and investments for the various purposes as herein provided.

E. Rebate Fund. The City hereby creates and establishes a special separate fund to be called the "City of Lake Worth Beach, Florida Capital Improvement Revenue Note, Series 2024 Rebate Fund" (herein called the "Rebate Fund"). The City hereby agrees to cause the arbitrage rebate amount to be calculated as set forth in the City's Certificate as to Arbitrage and Certain Other Tax Matters delivered at the time of closing of the Note, and to cause the required amount to be deposited into the Rebate Fund herein established. Amounts on deposit in the Rebate Fund shall be in held in trust by the City and used solely to make the required rebates to the United States of America, and neither the Lender nor the City shall have any right or claim to such moneys.

F. Project Fund. There shall be established by the City a separate fund, to be held by the Lender and known as the "City of Lake Worth Beach, Florida Capital Improvement Revenue Note, Series 2024 Project Fund" (the "Project Fund") which shall be used only for payment of the costs of the Project. Moneys in the Project Fund, until applied in payment of any item of the cost of the Project in the manner hereinafter provided, shall be subject to a lien and charge in favor of the Lender and for the further security of the Lender. Disbursements from the Project Fund shall be made by requisition of the City, executed by the Mayor, City manager of the City or City finance director, in the form attached hereto as Exhibit B, which may be sent via email to Refcopropay@regions.com, Rebecca.Reynolds@regions.com and tyler.harris@regions.com.

The City covenants that the acquisition and completion of the Project will be completed without delay and in accordance with sound engineering practices

Amounts on deposit in the Project Fund shall be invested in the Regions Investment. Notwithstanding any of the other provisions of this Section 10(F), to the extent that other moneys are not available therefor, amounts in the Project Fund shall be applied to the payment of principal and interest on the Note when due.

G. Issuance of Other Obligations. During such time as the Note is Outstanding hereunder, the City agrees and covenants with the Lender that, prior to the issuance of any additional Debt of the City secured by or payable from Non-Ad Valorem Revenues, Non-Ad Valorem Revenues shall cover projected Maximum Annual Debt Service on the Note and maximum annual debt service on such Debt by at least 1.5x. The calculation required above shall be determined using the average of actual revenues for the prior two Fiscal Years based on the City's annual audited financial statements.

For the purposes of the covenants contained in this Section 10(G), maximum annual debt service on Debt means, with respect to Debt that bears interest at a fixed interest rate, the actual maximum annual debt service, and, with respect to Debt which bears interest at a variable interest rate, maximum annual debt service on such Debt shall be determined assuming that interest accrues on such Debt at the current "Bond Buyer Revenue Bond Index" as published in The Bond Buyer no more than two weeks prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, as defined in the immediately following sentence, maximum annual debt service on such Debt shall be determined assuming such Debt is amortized over 10 years on an approximately level debt service

basis. For purposes of the foregoing sentence, "Balloon Indebtedness" means Debt, 25% or more of the original principal of which matures during any one Fiscal Year.

H. The City agrees to notify the Lender within five (5) Business Days if an Event of Default occurs hereunder, or of any event that, with the passage of time or giving of notice, would become an Event of Default, should occur.

SECTION 11. RESERVED.

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

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

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

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

D. Opinion of Bond Counsel. The Lender shall have received an opinion from bond counsel in respect of the Note, in form and substance satisfactory to the Lender. Such opinion shall, at a minimum, address (i) the enforceability of the Resolution and this Agreement, the legal authority to enter into the same in accordance with the Act and the valid authorization, execution and delivery thereof by the City, (ii) that this Agreement and the Note create a valid lien on the Pledged Funds in accordance with their terms, (iii) the status of interest on the Note being excluded from gross income for federal income tax purposes under the provisions of Section 103 of the Code, and (iv) that it is not necessary to register the Note under the Securities Act of 1933, as amended, or to qualify this Agreement under the Trust Indenture Act of 1939, as amended.

E. No Default, Etc. No default shall have occurred and be continuing as of the closing date or will result from the execution and delivery of this Agreement; the representations and warranties made by the City shall be true and correct in all material respects on and as of the closing date, as if made on and as of such date; and the Lender shall have received a certificate from the City to the foregoing effect.

F. Other Documents. The Lender shall have received such other documents, certificates and opinions as the Lender or its counsel shall have reasonably requested, including the original Note and an original of this Agreement.

G. Payment of Lender Fees and Expenses. The City shall have paid from Non-Ad Valorem Revenues, all costs and expenses of the Lender in the administration and enforcement of all documentation executed in connection with the Note, including, without limitation, the fees, charges and disbursements of Lender's counsel (including in-house counsel), Greenberg Traurig, P.A., in an amount not to exceed \$15,000.

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

A. Organization. The City is a municipal corporation of the State.

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

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

D. Financial Statements. The financial statements of the City for the year ended September 30, 2022, copies of which have been furnished to the Lender, have been prepared in accordance with generally accepted accounting principles and present fairly the financial condition of the 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 (including, without limitation, Non-Ad Valorem Revenues), properties or operations of the City.

E. No Violation of Law or Contract. The City 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, the breach of which could result in a material and adverse impact on the financial condition of the City or the ability of the City to perform its obligations hereunder and under the Note. The making and performing by the City of this Agreement and the Note will not violate any applicable provision of law, and will not result in a material breach of any of the terms of any agreement or instrument to which the City is a party or by which the City is bound, the breach of which could result in a material and adverse impact on the financial condition of the City or the ability of the City to perform its obligations hereunder and under the Note.

F. Pending or Threatened Litigation. There are no actions or proceedings pending against the City or affecting the City or, to the knowledge of the City, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the condition of the City, financial or otherwise, or which question the validity of this Agreement or the Note or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby.

G. Privately Negotiated Loan. The City acknowledges and agrees that the Lender is purchasing the Note in evidence of a privately negotiated loan and in that connection the Note shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service or any similar identifying number by any other similar service.

SECTION 14. TAX COMPLIANCE. Neither the Board nor any third party over whom the Board or the City have control, will make any use of the proceeds of the Note or the Pledged Funds at any time during the term thereof which would cause the Note to be a "private activity bond" within the meaning of Section 103(b)(1) of the Code or "arbitrage bond" within the meaning of Section 103(b)(2) of the Code. The Board covenants throughout the term of the Note to comply with the requirements of the Code and the Regulations, as amended from time to time.

SECTION 15. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

City: City of Lake Worth Beach, Florida
7 N. Dixie Highway
Lake Worth Beach, Florida 33460
Attention: City Manager

Lender: Regions Capital Advantage, Inc.
1900 Fifth Avenue North, Suite 2400
Birmingham, Alabama 35203
Attention: Tyler Harris

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

SECTION 16. EVENTS OF DEFAULT DEFINED. The following shall be "Events of Default" under this Agreement and the term "Events of Default" shall mean (except where the context clearly indicates otherwise), whenever such term is used in this Agreement, any one or more of the following events:

A. Failure by the City to timely pay any amount due hereunder;

B. Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of 30 days after the earlier of written notice (a) is received by the City or (b) was required to have been provided to the Lender pursuant to Section 10(H) hereof, except to the extent some other grace period shall be provided in regard to a covenant, specifying such failure and requesting that it be remedied, is given to the City by the Lender, unless the Lender shall agree in writing to an extension of such time prior to its expiration;

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

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

E. The City files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

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

G. The City defaults in the payment of any other indebtedness secured by a pledge of Non-Ad Valorem Revenues or any portion thereof or a covenant to budget and appropriate Non-Ad Valorem Revenues.

SECTION 17. REMEDIES. The Lender may sue to protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State, of the United States of America, or granted and contained in this Agreement, and to enforce and compel the performance of all duties required by this Agreement or by any applicable laws to be performed by the City, the Board or by any officer thereof, and may take all steps to enforce this Agreement to the full extent permitted or authorized by the laws of the State or the United States of America, including, in the case of an Event of Default described in Section 16(A), (D), (E) or (F) above, the declaration of all payments of principal and interest on the Note to be immediately due and payable, subject to any applicable grace period.

SECTION 18. NO RECOURSE. No recourse shall be had for the payment of the principal of and interest on the Note or for any claim based on the Note or on this Agreement, against any present or former member or officer of the Board or any person executing the Note.

SECTION 19. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Agreement, shall be other than a Business Day, then such payment or performance shall be made on the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Agreement.

SECTION 20. DEFAULT RATE. Upon and during the continuance of an Event of Default, the Note shall bear interest at the Default Rate until all amounts then due under the Note are paid in full.

SECTION 21. TERMINATION. If, at any time the City shall have paid the principal and interest with respect to the Note and all costs and expenses of the Lender payable under this Agreement, then, and in that event, the pledge of and lien on the Pledged Funds in favor of the Lender shall be no longer in effect and the City shall have no further obligation to comply with the covenants contained in Section 10 hereof, other than the covenant contained in paragraph (A) of Section 10.

SECTION 22. WAIVER OF JURY TRIAL. With respect to any suit or action between the City and the Lender relating to the Note or this Agreement or any other aspect of the transaction between the City and the Lender, the City and the Lender each expressly waives any right to a jury trial, and agrees that the exclusive venue for any such suit or action shall be Palm Beach County, Florida.

SECTION 23. AMENDMENTS, CHANGES AND MODIFICATIONS. This Agreement may be amended by the City, only with the prior written consent of the Lender.

SECTION 24. NO ADVISORY OR FIDUCIARY RELATIONSHIP; ROLE OF LENDER. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other documents related hereto), the City acknowledges and agrees, that: (a) (i) it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and any other loan documents, (iii) the Lender and their representatives are not registered municipal advisors and are not providing advice to the City with respect to any municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engaging in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services and (iv) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the City 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 City 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 City, or any other person and (ii) the Lender has no obligation to the City, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other loan documents; and (c) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the City, and the Lender has no obligation to disclose any of such interests to the City. To the fullest extent permitted by law, the City hereby waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby. If the City would like a municipal advisor in this transaction that has legal fiduciary duties to the City, the City is free to engage a municipal advisor to serve in that capacity. The transactions contemplated herein and the Note are delivered, 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.

SECTION 25. PERMISSION TO USE INFORMATION. The City agrees and consents that the Lender shall be permitted to use information related to the loan transaction in connection with marketing, press releases or other transactional announcements or updates provided to investors or trade publications, including, but not limited to, the placement of the logo or other identifying name on marketing materials or of "tombstone" advertisements in publications of its choice at its own expense.

SECTION 26. APPLICABLE LAW AND VENUE. The Note shall be governed by applicable federal law and the internal laws of the State. The City agrees that certain material events and occurrences relating to the Note bear a reasonable relationship to the laws of the State and the validity, terms, performance and enforcement of the Note shall be governed by the internal laws of the State which are applicable to agreements which are negotiated, executed, delivered and performed solely in the State. In the event of any legal proceedings arising out of or related to the Note, exclusive jurisdiction and venue for such proceedings shall be in any court located in Palm Beach County, Florida.

SECTION 27. BINDING EFFECT. To the extent provided herein, this 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.

SECTION 28. SEVERABILITY. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 29. EXECUTION IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 30 PATRIOT ACT. The City represents and warrants to the Lender that neither it nor any of its members is a Person named as a Specially Designated National and Blocked

Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The City further represents and warrants to the Lender that the City and its members are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

SECTION 31. LENDER CERTIFICATIONS.

1. As provided in Sections 287.132-133, Florida Statutes, as amended from time to time, by entering into the Agreement, Lender certifies that it, its affiliates, suppliers, subcontractors and any other contractors who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately preceding the date hereof.

2. If applicable to the Lender, pursuant to Section 448.095(5), Florida Statutes, the Lender, and any subcontractor thereof, shall register with and use the E-Verify system to verify the work authorization status of all new employees of the Lender and the subcontractor.

3. As provided in Section 287.135, Florida Statutes, as amended from time to time, by entering into the Agreement, Lender certifies that it is not participating in a boycott of Israel. The City and Lender agree that the City will have the right to terminate the Loan if Lender is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

4. In accordance with Palm Beach County Ordinance Number 2011-009, the Agreement may be subject to investigation and/or audit by the Palm Beach County Inspector General. Lender should review Palm Beach County ordinance number 2011-009 in order to be aware of its rights and/or obligations under such ordinance and as applicable.

5. Public Records: Lender shall comply with Florida's Public Records Act, Chapter 119, Florida Statutes (the "Public Records Act"), and, if determined to be acting on behalf of the City as provided under section 119.011(2), Florida Statutes, specifically agrees to:

- a. Keep and maintain public records required by the City to perform the services.
- b. Upon request from the City's custodian of public records or designee, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement following completion of the Agreement if the Lender does not transfer the records to the City.
- d. Upon completion of the Agreement, transfer, at no cost, to the City all public records in possession of the Lender or keep and maintain public records required by the City to perform the service. If the Lender transfers all public records to the City upon

completion of the Agreement, Lender shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Lender keeps and maintains public records upon completion of the Agreement, the Lender shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records or designee, in a format that is compatible with the information technology systems of the City.

IF THE LENDER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE LENDER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE AGREEMENT, PLEASE CONTACT THE CUSTODIAN OF PUBLIC RECORDS OR DESIGNEE AT THE CITY OF LAKE WORTH BEACH, ATTN: MELISSA ANN COYNE, AT (561) 586-1662, CITYCLERK@LAKEWORTHBEACHFL.GOV, 7 N. DIXIE HIGHWAY, LAKE WORTH, FL 33460.

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

CITY OF LAKE WORTH BEACH, FLORIDA

By: _____
Betty Resch, Mayor

ATTEST:

By: _____
Melissa Ann Coyne, MMC, City Clerk

REGIONS CAPITAL ADVANTAGE, INC.

By: _____
Its: Authorized Agent

APPROVED AS TO FORM:

Nabors, Giblin & Nickerson, P.A.

EXHIBIT A
FORM OF 2024 NOTE

No. R-___

CITY OF LAKE WORTH BEACH, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2024

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
___%*	April 1, 2028	June __, 2024

REGISTERED OWNER:

PRINCIPAL AMOUNT: \$15,000,000

KNOW ALL MEN BY THESE PRESENTS, that the City of Lake Worth Beach, Florida (the "City"), for value received, hereby promises to pay to the Registered Owner on the Maturity Date specified above the principal amount then outstanding pursuant to the terms of that certain Loan Agreement dated as of June __, 2024 between the City and the Registered Owner (the "Agreement"), plus interest thereon from the Date of Issue set forth above to the date of payment thereof, at the Stated Rate until payment of the Principal Amount above stated, such interest to be calculated on a 360-day year comprised of twelve 30-day months. The Rate of Interest on this Note is subject to adjustment as set forth in the Agreement under the definition of "Stated Rate." Interest on the Note shall be payable on each April 1 and October 1, by electronic payment (or such other form of payment reasonably acceptable to the Registered Owner), commencing October 1, 2024 and at the maturity of the Note. Principal due on this Note shall be paid in full on the Maturity Date.

This Note may be prepaid in whole or in part, without penalty, prior to maturity, if in whole on any Business Day and if in part on any interest payment date, in each case commencing May __, 2026, upon two Business Days' notice to the Registered Owner, and as specified in the Agreement. Capitalized terms used herein and not defined are used as defined in the Agreement.

This Note is issued under the authority of Chapter 166, Part II, Florida Statutes, as amended, the City Charter of the City, and other applicable provisions of law, and pursuant and subject to the terms and conditions of Resolution No. ___ duly adopted by the City Commission of the City of Lake Worth Beach, Florida on June 4, 2024 (the "Resolution"), to which reference should be made to ascertain those terms and conditions.

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

* Subject to adjustment as set forth in the Agreement.

This Note shall 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 Note. This Note shall not constitute a lien upon the Project (as defined in the Agreement), or upon any property of or in the City, but shall be payable solely from the Pledged Funds in the manner provided in the Agreement. Reference is made to the Agreement for the provisions relating to the security for payment of this Note and the duties and obligations of the City hereunder.

No presentment shall be required for payment on this Note. The Registered Owner by its purchase hereof agrees to return this Note to the City upon final payment 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 happen, exist and be performed precedent to and in the issuance of this Note, have happened, exist and have been performed in regular and due form and time as so required.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the City of Lake Worth Beach, Florida, has caused this Note to be executed by its Mayor, and attested by its City Clerk, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, and this Note to be dated June __, 2024.

**CITY OF LAKE WORTH BEACH,
FLORIDA**

By: _____
Betty Resch, Mayor

ATTEST:

By: _____
Melissa Ann Coyne, City Clerk

APPROVED AS TO FORM:

Nabors, Giblin & Nickerson, P.A.

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

TEN COM - as tenants in common

JT TEN - as joint tenants with right of survivorship

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

UNIF GIF MIN ACT - _____ UNIF TRANS MIN ACT - _____ (Cust.)

Custodian for _____ Custodian for _____
(Minor)

under Uniform Gifts to Minor under Uniform Transfers to

Minors Act of _____ Minors Act of _____
(State)

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

ASSIGNMENT

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

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

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

Dated: _____

Signature guaranteed:

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

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

(Authorized Officer)

EXHIBIT B

FORM OF REQUISITION

\$15,000,000

City of Lake Worth Beach, Florida

Capital Improvement Revenue Note, Series 2024

Regions Capital Advantage, Inc.
1900 5th Avenue North, Suite 2400
Birmingham, Alabama 35203
Attn: Tyler Harris

Dated: _____, 202__

Requisition No. _____

This Requisition is made pursuant to Section 10(G) of the Loan Agreement (the "Loan Agreement") dated as of June __, 2024, between the City of Lake Worth Beach, Florida (the "Issuer") and Regions Capital Advantage, Inc. to pay a portion of the costs of the Project referenced therein. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

The Requisition is for the principal amount of \$_____. Such amount shall be paid to the Issuer by wire transfer at the following address:

To:

ABA:

Account:

Account Name:

Address:

The Issuer hereby certifies that:

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

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

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

CITY OF LAKE WORTH BEACH, FLORIDA

By: _____