

RESOLUTION NO. _____

PROPOSED RESOLUTION NO. 22-045

A RESOLUTION SUPPLEMENTING ORDINANCE NO. 4034, AS PREVIOUSLY SUPPLEMENTED AND AMENDED, AUTHORIZING THE ISSUANCE OF CITY OF LAKELAND, FLORIDA VARIABLE RATE ENERGY SYSTEM REFUNDING BOND, SERIES 2022 IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$88,205,000 TO CURRENTLY REFUND ALL OF THE CITY'S OUTSTANDING VARIABLE RATE ENERGY SYSTEM REFUNDING BOND, SERIES 2017; PROVIDING FOR CERTAIN TERMS OF THE 2022 BOND, INCLUDING DESIGNATING SUCH 2022 BOND AS A DESIGNATED MATURITY OBLIGATION; AUTHORIZING THE REDEMPTION OF THE 2017 BOND; ESTABLISHING A FORM OF THE 2022 BOND; AWARDED THE SALE OF THE 2022 BOND TO TRUIST COMMERCIAL EQUITY, INC. ON A NEGOTIATED BASIS; AUTHORIZING CERTAIN CITY OFFICIALS TO TAKE ACTIONS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH ANY OF THE FOREGOING; PROVIDING FOR OTHER MATTERS RELATING THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Ordinance No. 4034, enacted by the City of Lakeland, Florida (the "Issuer") on April 7, 1999, as said Ordinance No. 4034 has heretofore been supplemented and amended (collectively, the "Bond Ordinance"), the Issuer has issued, among other Obligations (as defined therein), its Variable Rate Energy System Refunding Bond, Series 2017 (the "Refunded Bond"); and

WHEREAS, the Bond Ordinance permits the issuance of other Obligations payable on a parity from the Trust Estate (as defined therein) with the Outstanding Obligations (as defined therein), with any other Obligations issued under the Bond Ordinance and with Parity Debt (as defined in the Bond Ordinance); and

WHEREAS, the Refunded Bond will mature by its terms on October 1, 2022 and it is in the best interest of the Issuer to current refund the Refunded Bond; and

WHEREAS, the Issuer desires, in accordance with the requirements hereof and of the Bond Ordinance, to issue an additional Obligation pursuant to the terms of the Bond Ordinance in a principal amount of not to exceed \$88,205,000 to be designated the City of Lakeland, Florida Variable Rate Energy System Refunding Bond, Series 2022 (the "2022 Bond") to current refund the Refunded Bond and thereby extend the maturity; and

WHEREAS, the Issuer on August 10, 2022, issued a request for proposals (as the same has been supplemented and amended, the "RFP") in connection with the

proposed refunding of the Refunded Bond and Truist Commercial Equity, Inc. (the "Initial Purchaser") submitted the best qualifying proposal, a copy of which is attached hereto as Exhibit "A" (the "Proposal");

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKELAND, FLORIDA, THAT:

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

SECTION 1.01. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Article VIII, Section 2 of the Constitution of the State of Florida, Section 159.11, Florida Statutes, Chapter 166, Florida Statutes, the Charter of the City of Lakeland, Florida, the Bond Ordinance and other applicable provisions of law.

SECTION 1.02. DEFINITIONS. All terms used in this Resolution in capitalized form and not otherwise defined in this Resolution (and the recitals or preamble preceding this Resolution), shall have the meanings ascribed to such terms in the Bond Ordinance. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Adjusted SOFR Rate" means the variable annual interest rate calculated for each Interest Period equal to (a) 79% multiplied by (b) the sum of (i) the SOFR Rate plus (ii) the Applicable Spread.

"Adjustment Date" means the first Business Day in each calendar month as determined on the applicable Determination Day.

"Applicable Spread" means initially 30 basis points (0.30%).

"Business Day," for purposes of this Resolution and the 2022 Bond, means any day other than (i) a Saturday or Sunday or (ii) a day on which the Payment Office of the Lender is lawfully closed.

"Calculation Agent" means (i) so long as the Initial Purchaser holds all or a portion of the 2022 Bond, the Initial Purchaser (or its affiliate Truist Bank), (ii) if the Initial Purchaser does not hold any portion of the 2022 Bond, the agent designated from time to time by the Issuer, which may be the Issuer.

"Default Rate" means the lesser of (a) 18% per annum and (b) the maximum rate permitted by law.

"Determination Day" means that date which is (i) two U.S. Government Securities Business Days prior to the first day of the Interest Period if such day is a U.S. Government Securities Business Day or (ii) if the first day of the Interest Period is not a U.S. Government Securities Business Day then two U.S. Government Securities Business Days prior to the U.S. Government Securities Business Day immediately preceding the commencement of the Interest Period.

"Initial Purchaser" means Truist Commercial Equity, Inc.

"Interest Period" means a one month period commencing with the date of the 2022 Bond and each subsequent Interest Period shall commence on the first Business Day of each month; provided, however that the initial Interest Period may commence on the booking date and result in a shorter Interest Period. No Interest Period shall extend beyond the maturity of the 2022 Bond.

"Interest Rate" means (a) Adjusted SOFR Rate, subject to adjustment as provided herein and in the 2022 Bond, and (b) after a Determination of Taxability, the Taxable Rate. Notwithstanding the foregoing, however, after, and during the continuance of, an Event of Default, "Interest Rate" shall mean the Default Rate.

"Lender" means the Initial Purchaser and its successors and assigns, as Registered Owner of the 2022 Bond.

"Maximum Rate" means an interest rate per annum equal to the lesser of the maximum rate permitted by law and 12%.

"Payment Office of the Lender" shall have the meaning ascribed thereto in the form of the 2022 Bond.

"SOFR Administrator" means CME Group Benchmark Administration Limited or a successor administrator of the SOFR Rate selected by Lender in its sole discretion.

"SOFR Rate" means the Term SOFR reference rate for a one month tenor as administered by the SOFR Administrator and quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Truist Bank on the Determination Day; provided that if as of 5:00 p.m. (New York time) on the Determination Day, Term SOFR for such tenor has not been published by the SOFR Administrator, then the rate used will be Term SOFR for such tenor as published by the SOFR Administrator for the immediately preceding U.S. Government Securities Business Day on which such rate was published on the SOFR Administrator's website so long as such immediately preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Determination Day; and further provided if Term SOFR would be less than zero percent (0%), then it shall be deemed to be zero percent (0%).

"U.S. Government Securities Business Day" Any day except for (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

SECTION 1.03. FINDINGS AND DETERMINATIONS. The Governing Body of the Issuer hereby finds, ascertains, determines and declares that:

(1) All findings or determinations set forth in the recitals or preamble preceding this Resolution are hereby incorporated by reference as if fully set forth herein.

(2) The Issuer has heretofore enacted the Bond Ordinance pursuant to which the Refunded Bond was issued and is Outstanding.

(3) The Issuer is authorized under the Act and the Bond Ordinance to issue Obligations for various purposes, including, without limitation, to refund Outstanding Obligations and to pay the costs of issuing Obligations, the same constituting valid and proper public purposes under the Act.

(4) The 2022 Bond shall be issued only upon satisfying the applicable requirements of Section 10.02 of the Bond Ordinance.

(5) The 2022 Bond shall constitute an additional Obligation under the Bond Ordinance, payable from the Trust Estate on a parity with the Outstanding Obligations not being refunded and all other Obligations hereafter issued or Parity Debt hereafter incurred.

(6) The issuance of the 2022 Bond to refund the Refunded Bond shall facilitate the prudent management of debt by the Issuer.

(7) The Lender has expressed an interest in submitting an offer to purchase the 2022 Bond by negotiated sale pursuant to the terms of the Proposal in substantially the form attached hereto as Exhibit "A."

(8) Because of the characteristics of the 2022 Bond, prevailing and anticipated market conditions and the need to proceed with the issuance of the 2022 Bond in an expedited fashion, subject to the requirements hereof, it will be in the best interest of the Issuer to accept the offer of the Initial Purchaser to purchase the 2022 Bond at a private negotiated sale pursuant to the terms of the Proposal and the terms of this Resolution.

(9) The Initial Purchaser has provided, or will provide prior to the issuance of the 2022 Bond, the Issuer with a disclosure statement containing the information required by Section 218.385(1)(b)(2), Florida Statutes, and a "truth-in-bonding" statement meeting the requirements of Section 218.385(3), Florida Statutes, and no additional disclosure is required.

SECTION 1.04. CONTRACT. In consideration of the acceptance of the 2022 Bond authorized to be issued hereunder by the Registered Owner who shall own the same from time to time, the Bond Ordinance, as previously amended and supplemented and as supplemented and amended by this Resolution, shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements therein and herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Owners of such 2022 Bond, which shall be of equal rank and without preference, priority, or distinction of any of the Obligations and Parity Debt over any other thereof. All covenants contained in the Bond

Ordinance shall be fully applicable to the 2022 Bond, except as provided herein or in the form of the 2022 Bond.

ARTICLE II

AUTHORIZATION OF REFUNDING

SECTION 2.01. APPROVAL OF REFUNDING. The current refunding of the Refunded Bond is hereby approved and authorized, subject to the issuance of the 2022 Bond for such purpose in accordance with the terms of Section 3.01 below. Costs of issuance of the 2022 Bond is hereby authorized to be paid with legally available funds of the Issuer.

The City Manager and the Finance Director of the Issuer are each hereby authorized to take the necessary actions and to execute the necessary documents to provide for the giving of such notice in accordance with the terms of the Bond Ordinance and all prior actions are hereby ratified and approved.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF 2022 BOND

SECTION 3.01. AUTHORIZATION OF 2022 BOND; DELEGATION. In order to finance the current refunding of the Refunded Bond, the Issuer hereby authorizes the issuance of the 2022 Bond to be known as the "Variable Rate Energy System Refunding Bond, Series 2022," in the principal amount of not to exceed \$88,205,000 and maturing on October 1, 2027, upon the terms set forth herein and upon compliance with the terms of Section 10.02 of the Bond Ordinance. Because the Issuer currently intends to refinance the 2022 Bond prior to its maturity, and thereby extend the maturity of the indebtedness represented by the 2022 Bond, the 2022 Bond is hereby designated as a Designated Maturity Obligation for all purposes of the Bond Ordinance.

The Mayor, or in his absence or unavailability, the Mayor Pro Tem, the City Manager or the Finance Director is hereby designated and authorized to award the sale of the 2022 Bond to the Initial Purchaser, subject to the terms set forth in Section 3.02 hereof and provided the principal amount of the 2022 Bond does not exceed \$88,205,000, pursuant to the terms hereof.

SECTION 3.02. GENERAL TERMS OF 2022 BOND.

(1) The 2022 Bond shall be issued in a single denomination equal to the principal amount thereof, shall be dated its date of issuance, shall initially bear interest at the Adjusted SOFR Rate, established on or about the date of issuance of the 2022 Bond and adjusted thereafter for each Interest Period.

(2) If the date for payment of the principal of or interest on the 2022 Bond shall be a day other than a Business Day, then the date for such payment shall be the

next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

(3) The Issuer hereby designates itself as Registrar and Paying Agent for the 2022 Bond.

(4) The provisions of the 2022 Bond shall supersede Section 5.07 of the Bond Ordinance regarding the presentation of 2022 Bond for the purpose of payment thereof. Principal and interest on the 2022 Bond shall be paid in the manner set forth in the 2022 Bond.

(5) All covenants and agreements in the Bond Ordinance apply to the 2022 Bond, except as may otherwise be expressly provided herein or in the 2022 Bond.

(6) The 2022 Bond shall only be subject to optional prepayment or redemption, in whole or in part on any Business Day, at a Redemption Price equal to the principal amount being redeemed, plus accrued interest thereon, if any, to the redemption date thereof, without premium. Notice of redemption of 2022 Bond shall be given in the manner and with the effect provided in Article V of the Bond Ordinance; provided, however, that notwithstanding the terms of the Bond Ordinance, notice of redemption shall be given to the Registered Owner not less than two (2) Business Days prior to the Redemption Date, such notice shall be given by electronic mail (e-mail), telefacsimile or physical delivery, such notice shall not be effective until it is received by the Lender at the Payment Office of the Lender, and the notice described by clause (a) of the fourth paragraph of Section 5.05 of the Bond Ordinance shall not be required to be given.

(7) The registration of the 2022 Bond may be transferred only as provided in Section 5.02 of the Bond Ordinance, and the Issuer will transfer the ownership of the 2022 Bond, upon written request of the Lender to the Issuer specifying the name, address and taxpayer identification number of the transferee. The 2022 Bond may only be sold, assigned or otherwise transferred to any direct or indirect wholly owned subsidiary, parent or affiliate of the Initial Purchaser or a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended. The Person in whose name the 2022 Bond shall be registered shall be deemed and regarded the absolute owner thereof for all purposes, and payment of principal and interest on such 2022 Bond 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 such 2022 Bond to the extent of the sum or sums so paid. The 2022 Bond may only be transferred in whole and not in part.

SECTION 3.03. DETERMINATION OF INTEREST RATE.

(1) The 2022 Bond shall bear interest at the Adjusted SOFR Rate, subject to adjustment as herein and therein provided. The initial Adjusted SOFR Rate applicable to the 2022 Bond upon its issuance, shall be determined by the Initial Purchaser on or prior to the date of issuance of the 2022 Bond. Thereafter the interest rate borne by the 2022 Bond shall adjust on each Adjustment Date to reflect changes in the SOFR Rate

in effect for such period as determined by the Calculation Agent and the authority to do so is hereby delegated by the Issuer to the Calculation Agent, but in no event shall the Adjusted SOFR Rate exceed the Maximum Rate. The Calculation Agent shall notify the Issuer of the interest rate borne by the 2022 Bond by electronic mail or telefacsimile transmission at such address as provided by the Issuer to the Lender in writing (or such other manner as acceptable to the Issuer and the Calculation Agent) and the Lender will also provide an invoice on a monthly basis of amounts due hereunder and under the 2022 Bond on or prior to each interest payment date.

(2) Interest shall be calculated on the basis of the actual number of days elapsed over a year of 360 days. Interest shall be payable monthly on the first Business Day of each calendar month commencing November 1, 2022 or such other date as set forth in the 2022 Bond.

(3) The determination of the Interest Rate by the Calculation Agent (absent manifest error) shall be conclusive and binding upon the Issuer and the Lender.

(4) Upon the occurrence of and during the continuance of an "event of default" (as defined in the Bond Ordinance), the interest rate borne by the 2022 Bond will be the Default Rate, provided, however, such Default Rate shall not apply as a result of an event of default solely attributable to a breach of the covenants contained in Section 12.03 of the Bond Ordinance and/or Section 7.02 of this Resolution.

(5) Upon the occurrence of a Determination of Taxability (as defined in the 2022 Bond) and so long as the Default Rate shall not be in effect, the interest rate on the 2022 Bond will be adjusted as provided therein.

(7) The interest rate borne by the 2022 Bond may never exceed the Maximum Rate.

SECTION 3.04. EXECUTION OF 2022 BOND.

The 2022 Bond shall be signed in the name of the Issuer by the Mayor or the Mayor Pro Tem of the Issuer and the seal of the Issuer shall be affixed thereto or imprinted or reproduced thereon and attested by the City Clerk of the Issuer. The signatures of the Mayor or the Mayor Pro Tem and City Clerk on the 2022 Bond may be a manual or facsimile signature. In case one or more of the officers who have signed or sealed the 2022 Bond shall cease to be such officer of the Issuer before the 2022 Bond so signed and sealed shall have been actually delivered, such 2022 Bond may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed such 2022 Bond had not ceased to hold such office. The 2022 Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such 2022 Bond shall hold the proper office, although at the date of such 2022 Bond such person may not have held such office or may not have been so authorized. The 2022 Bond shall be approved as to form and correctness by the City Attorney, which approval shall be evidenced by either the manual or the facsimile signature of the City Attorney.

SECTION 3.05. FORM OF 2022 BOND. The text of the 2022 Bond shall be of substantially the following tenor:

[Form of Bond]

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE SUPPLEMENTAL RESOLUTION REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO ANY DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY, PARENT OR AFFILIATE OF THE INITIAL PURCHASER OR A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933.

REGISTERED
NO. R-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF LAKE LAND
VARIABLE RATE ENERGY SYSTEM REFUNDING BOND,
SERIES 2022

| Interest <u>Rate:</u> | Maturity <u>Date:</u> | Dated <u>Date:</u> |
|--------------------------|--------------------------|-----------------------|
| As described herein | October 1, 2027 | _____, 2022 |

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Lakeland, Florida (hereinafter called the "Issuer"), for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the special revenues hereinafter mentioned, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, and to pay, solely from such special revenues, interest on the Principal Amount from the Dated Date, or from the most recent interest payment date to which interest has been paid, at the Adjusted SOFR Rate as determined by the Lender pursuant to Resolution No. _____ adopted by the Issuer on September 19, 2022 (the "Supplemental Resolution"), subject to adjustment as provided below, until payment of the Principal Amount, such interest being payable monthly on the first Business Day of each calendar month of each year, commencing on November 1, 2022.

Upon the occurrence of and during the continuance of an "event of default" as defined in the Bond Ordinance (as hereinafter defined) the interest rate otherwise borne hereby shall be adjusted to the Default Rate for so long as such event of default remains uncured; provided, however, such Default Rate shall not apply to a breach of

the covenants contained in Section 12.03 of the Bond Ordinance, and/or Section 7.02 of the Supplemental Resolution.

Except as otherwise provided herein, upon the occurrence of a Determination of Taxability and for as long as this Bond remains outstanding, the Interest Rate on this Bond shall be converted to the Taxable Rate and this adjustment shall survive payment on this Bond until such time as the federal statute of limitations under which the interest on this Bond could be declared taxable under the Code shall have expired. In addition, if the interest payable on this Bond becomes taxable due to any act or omission of the Issuer, the interest rate payable on this Bond will increase retroactively from the date on which interest on this Bond is first includable in gross income of the Registered Owner thereof (which may be as early as the issuance date) to a taxable equivalent rate and the Issuer shall pay the Registered Owner penalties on overdue interest and additions to tax, if any. In addition, upon an Determination of Taxability, the Issuer shall, immediately upon demand, pay to the Registered Owner (or prior holders, if applicable) (i) an additional amount equal to the difference between (A) the amount of interest actually paid on this Bond during the Taxable Period and (B) the amount of interest that would have been paid during the Taxable Period had this Bond 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 Registered Owner as a result of the Determination of Taxability (the "Additional Amount").

The Registered Owner shall promptly notify the Authority in writing of any adjustments pursuant hereto. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments pursuant hereto may be retroactive. The Registered Owner shall provide to the Issuer in writing the Additional Amount, if any, due to such Registered Owner a result of an adjustment pursuant hereto.

"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 this Bond is or was includable in the gross income of a Registered Owner for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Issuer has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity at the Issuer's own expense to contest the same, either directly or in the name of any Registered Owner, and until the conclusion of any appellate review, if sought. A Determination of Taxability does not include and is not triggered by a change in law by Congress that causes the interest to be includable under the Registered Owner's gross income. 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 this Bond.

"Taxable Period" means the period of time between (a) the date that interest on this Bond is deemed to be includable in the gross income of the Registered Owner thereof for federal income tax purposes as a result of an Determination of Taxability,

and (b) the date of the Determination of Taxability and after which this Bond bears interest at the Taxable Rate.

"Taxable Rate" means the interest rate per annum that shall provide the Registered Owner with the same after-tax yield that the Registered Owner would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Registered Owner as a result of such Determination of Taxability. The Registered Owner shall provide the Issuer with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Issuer.

The interest rate borne by this Bond (i) may never exceed the Maximum Rate, and (ii) will be calculated on the basis of the actual number of days elapsed over a year of 360 days.

Principal of and interest on this Bond shall be payable to the Registered Owner at such address as specified in writing by the Registered Owner to the Issuer and initially shall be Truist Commercial Equity, Inc., 333 Garland Avenue, 17th Floor, Orlando, Florida 32801 (the "Payment Office of the Lender") and shall be paid by wire transfer to an account in the United States designated in writing by such Registered Owner to the Issuer or in such other manner as agreed upon by the Issuer and the Registered Owner. The Issuer agrees to pay the principal due on this Bond without presentment or surrender, provided that the Registered Owner by acceptance of this Bond agrees to indemnify the Issuer against all claims with respect to such principal so paid by any subsequent holder of this Bond after such payment is made. Receipt of such payment without presentment and surrender shall evidence the Registered Owner's agreement to provide such indemnity. The Registered Owner agrees to promptly return this Bond marked "Paid" to the Issuer upon the full payment hereof, and upon such presentation and delivery all obligations of the Issuer and the Registered Owner hereunder shall cease except as provided herein with respect to a Determination of Taxability.

This Bond and the interest hereon are secured by a lien upon and pledge of the Trust Estate, as that term is defined in Ordinance No. 4034 enacted by the Issuer on April 7, 1999, as supplemented and amended, including, without limitation, as supplemented and amended by the Supplemental Resolution (collectively, the "Bond Ordinance"), in the manner and to the extent provided in the Bond Ordinance. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Bond Ordinance. Reference is hereby made to the Bond Ordinance for the provisions, among others, relating to the terms, lien and security of the Obligations issued thereunder, the custody and application of the proceeds of the Obligations issued thereunder, the rights and remedies of the registered owners of the Obligations issued thereunder, the extent of and limitations on the Issuer's rights, duties and obligations, and the provisions permitting the incurrence of the Cost of Operation and Maintenance and the issuance of other Obligations and Parity Debt, to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Bond.

This Bond shall not be deemed to constitute a general debt or obligation or a pledge of the faith and credit of the Issuer, 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 Registered Owner of this Bond that such Registered Owner shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer 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 and interest on this Bond or for the payment of any other amounts provided for in the Bond Ordinance.

It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the System, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Trust Estate, in the manner and to the extent provided in the Bond Ordinance. Neither the members of the governing body of the Issuer nor any person executing this Bond shall be liable personally on this Bond by reason of their issuance.

This Bond is issued on a parity with the Issuer's Energy System Revenue and Refunding Bonds, Series 2010, Energy System Revenue and Refunding Bonds, Series 2016, Energy System Revenue Bonds, Series 2018 and Energy System Revenue Bonds, Series 2021, and any other Obligations or Parity Debt hereafter issued in accordance with the terms of the Bond Ordinance. This Bond was issued pursuant to the authority of and in full compliance with the Constitution of the State of Florida, Section 159.11, Florida Statutes, Chapter 166, Florida Statutes, the Charter of the Issuer and other applicable provisions of law. This Bond is also subject to the terms and conditions of the Bond Ordinance.

The Issuer has entered into certain covenants with the holder of this Bond for the terms of which reference is made to the Bond Ordinance.

This Bond is subject to optional prepayment or redemption, in whole or in part on any Adjustment Date with not less than two (2) Business Days advance written notice to the Lender at the Payment Office of the Lender, at a Redemption Price equal to the principal amount being redeemed, plus accrued interest thereon, if any, to the redemption date thereof, without premium.

Notice of such redemption shall be given in the manner required by the Bond Ordinance, as supplemented by the Supplemental Resolution. No notice of redemption shall be required for mandatory sinking fund redemptions.

If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a day other than a Business Day, then the date for such payment shall be the next succeeding Business Day, provided that interest shall accrue on principal and shall be payable on such next Business Day.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond

exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of the Obligations of this Series does not violate any constitutional or statutory limitation or provision.

The Issuer and the Registered Owner, by acceptance of this Bond, hereby knowingly, voluntarily, intentionally, and irrevocably waive, to the fullest extent permitted by applicable law, the right either of them may have to a trial by jury in respect to any litigation, whether in contract or tort, at law or in equity, based hereon or arising out of, under or in connection with this Bond and any other document or instrument contemplated to be executed in conjunction with this Bond, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party hereto. This provision is a material inducement for the Issuer and the Registered Owner entering into or accepting this Bond.

This Bond and the Bond Ordinance as supplemented and amended by the Supplemental Resolution shall be governed by applicable federal law and the internal laws of the State of Florida. The Issuer and the Lender waive any objection that either might otherwise have to venue in any judicial proceeding brought in connection herewith lying in Polk County, Florida. The Issuer and the Registered Owner, by acceptance of this Bond, hereby knowingly, voluntarily, intentionally, and irrevocably waive, to the fullest extent permitted by applicable law, the right either of them may have to a trial by jury in respect to any litigation, whether in contract or tort, at law or in equity, based hereon or arising out of, under or in connection with this Bond and any other document or instrument contemplated to be executed in conjunction with this, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party hereto. This provision is a material inducement for the Registered Owner entering into or accepting this Bond. Further, the Issuer hereby certifies that no representative or agent of the Registered Owner, nor the Registered Owner's counsel, has represented, expressly or otherwise, that the Registered Owner would not, in the event of such litigation, seek to enforce this waiver of right to jury trial provision.

This Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bond Ordinance or the Supplemental Resolution, as applicable.

This Bond has been designated by the Issuer as a Designated Maturity Bond as provided by the Bond Ordinance.

IN WITNESS WHEREOF, the City of Lakeland, Florida, has issued this Bond and has caused the same to be signed by its Mayor [Pro Tem] and attested to and countersigned by its City Clerk, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be reproduced hereon, all as of the ____ day of _____, 2022.

CITY OF LAKELAND, FLORIDA

By _____
Mayor [Pro Tem]

ATTESTED:

By _____
City Clerk

APPROVED AS TO FORM AND
CORRECTNESS:

By _____
City Attorney

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ (the
"Transferor"), hereby sells, assigns and transfers unto

_____ (the "Transferee")

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF TRANSFEREE

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to register the transfer of the within Bond on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial correspond(s)

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment bank or trust company

with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

ABBREVIATIONS

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

TEN COM - as tenants in common

TEN ENT - as tenants by entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ CUSTODIAN _____
(Minor) (Custodian)
under Uniform Gifts to Minors Act _____
(State)

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

[End of Bond Form]

SECTION 3.06. EFFECT OF BENCHMARK TRANSITION EVENT.

(a) In the event Lender determines in its sole discretion that (i) there is a public announcement by the administrator of a Benchmark or a Relevant Governmental Body that such Benchmark will cease or has ceased to be published; (ii) a public announcement is made by the administrator of a Benchmark or any Relevant Governmental Body that the Benchmark is no longer representative; or (iii) a Relevant Governmental Body has determined that Lender may no longer utilize the Benchmark for purposes of setting interest rates (each a "Benchmark Transition Event"); Lender will have no obligation to make, fund or maintain a loan based on the Benchmark and on a

date and time determined by Lender, without any further action or consent of the Issuer or amendment to this Resolution, the first available alternative set forth in the order below that can be determined by Lender shall replace the Benchmark ("Successor Rate"):

- (x) Relevant Governmental Body Recommended Rate; or
- (y) Alternative Benchmark Rate.

(b) In connection with the implementation of a Successor Rate, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Successor Rate or Conforming Changes will become effective without any further action or consent of the Issuer. Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero percent (0%), the Successor Rate will be deemed to be zero percent (0%) for the purposes of this Resolution and the 2022 Bond. For avoidance of doubt, following the implementation of a Successor Rate, the Interest Rate under the 2022 Bond will be the Successor Rate plus the Applicable Spread, if any.

(c) Lender will notify the Issuer (in one or more notices) of the implementation of any Successor Rate at least 60 days prior to such Successor Rate becoming effective, or such shorter period as agreed upon by the Lender and the Issuer. Any determination or decision that may be made by Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in Lender's sole discretion and without consent from the Issuer.

(d) In the event Lender determines in its sole discretion that Lender cannot make, fund, or maintain a loan based upon the Benchmark due to illegality or the inability to ascertain or determine said rate on the basis provided for herein ("Unavailability Period") and a Benchmark Transition Event has not occurred, then at the election of Lender the Benchmark shall convert to the Alternative Benchmark Rate for purposes of calculating the Interest Rate on the then outstanding principal balance and for interest accruing on any fundings or advances requested by the Issuer and, thereafter, the Interest Rate on the 2022 Bond shall adjust simultaneously with any fluctuation in the Alternative Benchmark Rate. In the event Lender determines that the circumstances giving rise the Unavailability Period have ended, at such time as determined by Lender the Benchmark will revert to the prior Benchmark (provided a Benchmark Transition Event has not occurred). Lender shall provide notice, which may be after the implementation of the Alternative Benchmark Rate as contemplated hereunder, to the Issuer, of any Benchmark change that is made pursuant to this Section. For avoidance of doubt, following conversion to the Alternative Benchmark Rate, the Interest Rate under the 2022 Bond will be the Alternative Benchmark Rate plus the Applicable Spread, if any.

(e) For purposes of this Section, in addition to the definitions set forth in this Section 3.06, the following definitions shall apply:

"Alternative Benchmark Rate" means a rate of interest per annum equal to the Prime Rate minus two and 5/10 percent (2.5%) which shall adjust daily with changes in Prime Rate.

"Benchmark" means initially the SOFR Rate, and thereafter it will be the then-current Successor Rate.

"Conforming Changes" means, with respect to any Successor Rate, any technical, administrative or operational changes (including changes to the definitions such as "Business Day," "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of such Successor Rate and to permit the administration thereof by Lender in a manner Lender decides is reasonably necessary in connection with the administration of this Resolution and the 2022 Bond.

"Prime Rate" means, for any day, a rate per annum equal to Truist Bank's announced Prime Rate, and shall change effective on the date any change in such Prime Rate is publicly announced as being effective.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Lender of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Lender of New York or any successor thereto.

"Relevant Governmental Body Recommended Rate" means, in respect of any relevant day, the rate (inclusive of any spreads or adjustments which may be positive or negative) recommended as the replacement for the Benchmark by the Relevant Governmental Body (which rate may be produced by the Federal Reserve Lender of New York or another administrator).

SECTION 3.07. ADDITIONAL COSTS. In the event that any applicable law or regulation, guideline or order or the interpretation or administration thereof by any governmental or regulatory authority charged with the interpretation or administration thereof (whether or not having the force of law) (i) shall change the basis of taxation of payments to Lender of any amounts payable by the Issuer hereunder (other than taxes imposed on the overall net income of Lender) or (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by Lender, or (iii) shall impose any other condition with respect to the 2022 Bond, and the result of any of the foregoing is to increase the cost to Lender of making or maintaining the loan evidenced by the 2022 Bond or to reduce any amount receivable by Lender under the loan evidenced by

the 2022 Bond, and Lender determines that such increased costs or reduction in amount receivable was attributable to the use of the current Benchmark, then the Issuer shall from time to time, upon demand by Lender, pay to Lender additional amounts sufficient to compensate Lender for such increased costs ("Additional Costs"). A detailed statement as to the amount of such Additional Costs, prepared in good faith and submitted to the Issuer by Lender, shall be conclusive and binding in the absence of manifest error.

ARTICLE IV

APPLICATION OF PROCEEDS

SECTION 4.01. APPLICATION OF PROCEEDS OF 2022 BOND. Unless otherwise provided by certificate of the Mayor or the Mayor Pro Tem executed at the time of issuance of the 2022 Bond, the net proceeds of the 2022 Bond, together with other legally available funds of the Issuer, shall be irrevocably transferred to holder of the Refunded Bond or an escrow agent for the Refunded Bond to pay the principal of and accrued interest on the Refunded Bond upon its redemption. Any additional proceeds of the 2022 Bond may applied by the Issuer to pay costs of issuance of the 2022 Bond, or as otherwise provided in such certificate as provided in the previous sentence.

ARTICLE V

LENDER COVENANTS

SECTION 5.01. REPORTING REQUIREMENTS. In addition to the covenants and agreements of the Issuer set forth in the Bond Ordinance, the Issuer covenants and agrees with the Lender that so long as the 2022 Bond is Outstanding, it shall send or make available electronically to the Lender:

- (1) audited financial statements of the Issuer for each Fiscal Year ending on and after September 30, 2022, within 270 days after the end thereof;
- (2) a copy of its annual budget within thirty (30) days after approval thereof by the Issuer;
- (3) such other information respecting the affairs, conditions and/ or operations, financial or otherwise, of the Issuer as the Lender may from time to time request.

SECTION 5.02. MOST FAVORED NATIONS PROVISION.

If the Issuer shall, under the terms of a Supplemental Ordinance or other document or instrument authorizing the issuance of Obligations, agrees after the date hereof to permit, as a remedy for an event of default with respect to such Obligations, acceleration of the payment of the principal of and interest on such Obligations or an option in the Owner of such Obligations upon an event of default to "put" such Obligations to the Issuer for purchase by the Issuer at a price equal to the principal

amount of, plus accrued interest on, such Obligations and such accelerated payment obligation is on a parity from the Trust Estate with the then Outstanding Obligations, then (i) the Issuer shall provide a copy of such Supplemental Ordinance to the Lender within ten Business Days after the enactment thereof and (ii) the Lender shall also have the right, upon the occurrence of an event of default, to accelerate the payment of the principal of and interest on the 2022 Bond or the right to "put" the 2022 Bond to the Issuer for purchase at a price equal to the principal amount of, and accrued interest on, the 2022 Bond payable from the Trust Estate on a parity with all other Outstanding Obligations and with Parity Debt.

ARTICLE VI

ADDITIONAL AUTHORIZATION

SECTION 6.01. ADDITIONAL AUTHORIZATION OF 2022 BOND AND RELATED HEDGES. The Mayor, or in his absence or unavailability, the Mayor Pro Tem, and the City Clerk, the Finance Director, the City Manager, each Deputy Clerk, the City Attorney and any other official of the Issuer, be and each of them is hereby authorized and directed to execute and deliver any and all contracts, documents and instruments and to do and cause to be done any and all acts and things necessary, advisable or proper for carrying out the transactions contemplated by this Resolution, to the extent applicable, the execution and delivery of an escrow deposit agreement to be used in connection with refunding of the Refunded Bond. If the City Clerk is unavailable, any Deputy Clerk shall have authority to act in place of the City Clerk.

ARTICLE VII

TAX MATTERS

SECTION 7.01. REBATE ACCOUNT. There is hereby created and established by the Issuer the "2022 Bond Rebate Account" (hereinafter referred to as the "2022 Bond Rebate Account"), to become effective upon the issuance of the 2022 Bond. Revenues shall be used for deposit into all other rebate accounts created by the Issuer with respect to Outstanding Obligations and the 2022 Bond Rebate Account on a parity basis in the amounts, if any, at the times and in the manner set forth in the applicable ordinance of the Issuer related to Outstanding Obligations.

Moneys in the 2022 Bond Rebate Account, including all income and earnings on the investment of moneys on deposit therein, shall be held by the Issuer in trust and applied as provided hereby.

SECTION 7.02. TAX COVENANT. It is the intention of the Issuer and all parties under its control that the interest on the 2022 Bond authorized hereunder be and remain excluded from gross income for federal income tax purposes and to this end the Issuer hereby represents to and covenants with each of the Owners of the 2022 Bond issued hereunder that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the 2022 Bond authorized hereunder

from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

(1) to the extent required by the Internal Revenue Code of 1986, as amended (the "Code"), to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount;

(2) to set aside sufficient moneys in the 2022 Bond Rebate Account or elsewhere from the Revenues or other legally available funds of the Issuer, to timely pay the Rebate Amount to the United States of America;

(3) to pay, at the times and to the extent required under the Code, the Rebate Amount to the United States of America from the Revenues or from any other legally available funds;

(4) to maintain and retain all records pertaining to the Rebate Amount with respect to the 2022 Bond authorized hereunder and required payments of the Rebate Amount with respect to the 2022 Bond for at least six years after the final maturity of the 2022 Bond, respectively, or such other period as shall be necessary to comply with the Code;

(5) to refrain from taking any action that would cause the 2022 Bond authorized hereunder to become arbitrage bonds under Section 148 of the Code; and

(6) to refrain from using proceeds of the 2022 Bond authorized hereunder in a manner that would cause the 2022 Bond authorized or any of them to be classified as private activity bonds under Sections 141(a) or 141(d) of the Code unless the Issuer shall receive an opinion from Bond Counsel that such use will not cause the interest on the 2022 Bond to be includable in gross income for federal income tax purposes.

The Issuer understands that the foregoing covenants impose continuing obligations of the Issuer that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the 2022 Bond.

Notwithstanding any other provision of the Bond Ordinance or this Resolution to the contrary, including, without limitation, Section 12.02 thereof, so long as necessary in order to maintain the exclusion from Federal gross income of interest on the 2022 Bond, the covenants contained in this Section shall survive the payment of the 2022 Bond and the interest thereon, including any payment or discharge thereof pursuant to the Bond Ordinance and this Resolution.

For purposes of this Section, "Rebate Amount" shall mean the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-3 of the Income Tax Regulations) over the future value, as of

that date, of all payments on nonpurpose investments, all as provided by regulations under the Code implementing Section 148 thereof, and "Rebate Year" shall mean the one-year period beginning on the date after the expiration of the preceding Rebate Year.

ARTICLE VIII

ADDITIONAL REMEDIES

SECTION 8.01. REMEDIES. Upon the occurrence of and during the continuance of an "event of default" (as defined in the Bond Ordinance), the interest rate borne by the 2022 Bond will be the Default Rate.

Notwithstanding anything to the contrary in Section 11.01 of the Bond Ordinance, a default of any of the covenants contained in Section 12.03 of the Bond Ordinance and/or Section 7.02 of this Resolution shall not be an "event of default" under the Bond Ordinance and the sole remedy of the Lender shall be an adjustment of the interest rate on the 2022 Bond to the Taxable Rate to the extent and in the manner described in the 2022 Bond.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. PERMISSION TO USE INFORMATION. Issuer agrees and consents that Registered Owner 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 9.02. FURTHER ASSURANCES. The Issuer agrees that it shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such documents and instruments and take such further actions as may be required to continue the perfection and priority of the lien and security interest of the Owners of Obligations in the Trust Estate to the extent provided herein.

SECTION 9.03. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any other provisions of the Bond Ordinance or this Resolution or of the Outstanding Obligations.

PASSED AND CERTIFIED AS TO PASSAGE this 19th day of September, A.D. 2022.

CITY OF LAKELAND, FLORIDA

ATTEST:

By: _____
H. WILLIAM MUTZ, MAYOR

By: _____
KELLY S. KOOS, CITY CLERK

APPROVED AS TO FORM AND
CORRECTNESS:

By: _____
PALMER C. DAVIS,
CITY ATTORNEY

#158182523_v5
9764-98

EXHIBIT "A"

FORM OF PROPOSAL



City of Lakeland, Florida

Term Sheet

August 24, 2022

Truist Bank (“Bank”), on behalf of itself and its designated affiliate (the “Lender”), is pleased to submit the following summary of terms and conditions for discussion purposes only. The term sheet is non-binding and does not represent a commitment to lend. The term sheet is intended only as an outline of certain material terms of the requested financing and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in any definitive documentation for the requested financing.

| Borrower: | City of Lakeland, Florida | | | | | | | | | | | |
|-------------------------------|--|---------------------------------------|--|---------------|------------|---------------|---------|------------|---------------------------------------|---------|------------|---------------------------------------|
| Facility/Purpose/Description: | The purpose of this request is to currently refund the City’s Variable Rate Energy System Refunding Bond, Series 2017 with a bond that will bear interest at a variable rate based on a percentage of One-Month SOFR plus a spread with a designated maturity anticipated to be 3 or 5 years from the date of issuance, to be known as the City of Lakeland, Florida Variable Rate Energy System Refunding Bond, Series 2022 (the “Loan”). | | | | | | | | | | | |
| Amount: | Up to \$88,205,000. | | | | | | | | | | | |
| Funding: | The Loan will be funded in a single drawdown on the closing date. | | | | | | | | | | | |
| Repayment: | Interest will be payable monthly on the first business day of each calendar month. | | | | | | | | | | | |
| Bank Fees: | None. | | | | | | | | | | | |
| Interest Rate: | <p>VARIABLE RATE –</p> <table border="1"> <thead> <tr> <th>Maturity Date</th> <th>Tax-Exempt</th> <th>Interest Rate</th> </tr> </thead> <tbody> <tr> <td>3 years</td> <td>Tax-Exempt</td> <td>79% of (One-Month Term SOFR + 25bps).</td> </tr> <tr> <td>5 years</td> <td>Tax-Exempt</td> <td>79% of (One-Month Term SOFR + 30bps).</td> </tr> </tbody> </table> <p>Accrual basis: Act/360.</p> <p>The interest rate for the Loan will be subject to increase in the event of a Determination of Taxability. In no event will One-Month Term SOFR ever be less than 0.00%.</p> | | | Maturity Date | Tax-Exempt | Interest Rate | 3 years | Tax-Exempt | 79% of (One-Month Term SOFR + 25bps). | 5 years | Tax-Exempt | 79% of (One-Month Term SOFR + 30bps). |
| Maturity Date | Tax-Exempt | Interest Rate | | | | | | | | | | |
| 3 years | Tax-Exempt | 79% of (One-Month Term SOFR + 25bps). | | | | | | | | | | |
| 5 years | Tax-Exempt | 79% of (One-Month Term SOFR + 30bps). | | | | | | | | | | |

| | |
|--|--|
| <p>Security:</p> | <p>The Loan will be secured by the certain Revenues, as defined in the Bond Ordinance, that are derived by the City from the operation of its electric power system. The Loan will be on a parity with the City’s Energy System Revenue and Refunding Bonds, Series 2010 (the "2010 Bonds"), Energy System Revenue and Refunding Bonds, Series 2016 (the "2016 Bonds"), Energy System Revenue Bonds, Series 2018 (the "2018 Bonds") and Energy System Revenue Bonds, Series 2021 (the "2021 Bonds"), and any other Obligations or Parity Debt hereafter issued in accordance with the terms of Ordinance No. 4034, enacted by the City on April 7, 1999, as supplemented and amended.</p> |
| <p>Documentation:</p> | <p>All documentation shall appropriately structure the financing according to Federal and State statutes, subject to acceptable review by Lender and its counsel. The bond will not be presented for payment unless required by documentation.</p> |
| <p>Covenants:</p> | <p>Usual and customary covenants, reporting requirements, representations and warranties and events of default, for transactions of this type, including, without limitation, the following financial covenants and reporting requirements:</p> <ul style="list-style-type: none"> • Rate Covenant equal to one hundred twenty-five percent (125%) of the Bond Service Requirement for such Fiscal Year, and as more fully described in the Bond Ordinance. • Annual Financial Statements within 270 days of fiscal year end. • Annual budget within 30 days of adoption. <p>The default rate shall be the lesser of 18% or the maximum allowed rate by law, and the documents shall contain a Most Favored Nation clause assuring Lender that if other bondholders have acceleration rights Lender will have the same acceleration rights.</p> |
| <p>Conditions Precedent and Other Terms:</p> | <ol style="list-style-type: none"> 1. <u>Borrower’s Counsel Opinion</u>: An opinion of Borrower’s counsel covering matters customary to transactions such as this and in all respects acceptable to the Lender and its counsel. 2. <u>Bond Counsel Opinion</u>: An approving opinion of bond counsel related to the Loan in form and substance satisfactory to the Lender, which shall include, without limitation, an opinion that the interest on the Loan is excludable from gross income for Federal income tax purposes. 3. <u>Other Items</u>: The Bank and the Lender shall have received such other documents, instruments, approvals or opinions as may be reasonably requested. |
| <p>Lender’s Legal Counsel</p> | <p>The Lender’s legal counsel will be Amy Johnson at Moore & VanAllen.</p> <p>Estimated fees for the closing of the Loan(s) will be \$12,000 and shall be paid by the Borrower, whether or not the Loan described herein is closed.</p> |
| <p>Governing Law & Jurisdiction:</p> | <p>State of Florida.</p> |

| | |
|--------------------------------------|--|
| <p>Municipal Advisor Disclosure:</p> | <p>The Bank is a regulated bank and makes direct purchase loans to Municipal Entities and Obligated Persons as defined under the Municipal Advisor Rule, and in this term sheet is solely providing information regarding the terms under which it would make such a purchase for its own account. The Bank is not recommending an action or providing any advice to the Borrower and is not acting as a municipal advisor or financial advisor. The Bank is not serving in a fiduciary capacity pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information and material contained in this communication. The Bank is acting in its own interest. Before acting on the information or material contained herein, the Borrower should seek the advice of an IRMA and any other professional advisors which it deems appropriate for the Loan described herein, especially with respect to any legal, regulatory, tax or accounting treatment.</p> |
| <p>Patriot Act:</p> | <p>Pursuant to the requirements of the Patriot Act, the Bank and its affiliates are required to obtain, verify and record information that identifies loan obligors, which information includes the name, address, tax identification number and other information regarding obligors that will allow Lender to identify obligors in accordance with the Patriot Act, and Lender is hereby so authorized. This notice is given in accordance with the requirements of the Patriot Act and is effective for the Bank and its affiliates.</p> |
| <p>Expiration Date:</p> | <p>This Term Sheet shall expire on October 3, 2022 unless a formal commitment letter has been issued prior to such date.</p> |

Interest Rate Addendum

In the event Lender determines in its sole discretion that Lender cannot make, fund, or maintain a loan based upon the Benchmark due to illegality or the inability to ascertain or determine said rate on the basis provided for herein ("Unavailability Period") and a Benchmark Transition Event has not occurred, then at the election of Lender the Benchmark shall convert to the Alternative Benchmark Rate for purposes of calculating the Interest Rate on the then outstanding principal balance and for interest accruing on any fundings or advances requested by Authority and, thereafter, the Interest Rate on the Bond shall adjust simultaneously with any fluctuation in the Alternative Benchmark Rate. In the event Lender determines that the circumstances giving rise the Unavailability Period have ended, at such time as determined by Lender the Benchmark will revert to the prior Benchmark (provided a Benchmark Transition Event has not occurred). Lender shall provide notice, which may be after the implementation of the Alternative Benchmark Rate as contemplated hereunder, to Authority of any Benchmark change that is made pursuant to this Section. For avoidance of doubt, following conversion to the Alternative Benchmark Rate, the Interest Rate under the Bond will be the Alternative Benchmark Rate plus the Margin, if any.

For purposes of this provision, the following definitions shall apply:

"Alternative Benchmark Rate" means a rate of interest per annum equal to the Prime Rate minus two and 5/10 percent (2.5%) which shall adjust daily with changes in Prime Rate.

"Benchmark" means initially One-Month SOFR, and thereafter is it will be the then-current Successor Rate.

"Conforming Changes" means, with respect to any Successor Rate, any technical, administrative or operational changes (including changes to the definitions such as "Business Day," "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of such Successor Rate and to permit the administration thereof by Lender in a manner Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents.

"Loan Documents" means the Bond, this Agreement, any deed of trust, mortgage, security deed, assignment of leases and rents, guaranty agreement, security agreement, financing statements, and all other documents, certificates, and instruments executed in connection therewith, and all renewals, extensions, modifications, substitutions, and restatements thereof and therefor.

"Prime Rate" means, for any day, a rate per annum equal to Truist Bank's announced Prime Rate, and shall change effective on the date any change in such Prime Rate is publicly announced as being effective.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Lender of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Lender of New York or any successor thereto.

Relevant Governmental Body Recommended Rate" means, in respect of any relevant day, the rate (inclusive of any spreads or adjustments which may be positive or negative) recommended as the replacement for the Benchmark by the Relevant Governmental Body (which rate may be produced by the Federal Reserve Lender of New York or another administrator).