

RESOLUTION NO. 2025-59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, AUTHORIZING THE ISSUANCE OF A REVOLVING LINE OF CREDIT NOTE, SERIES 2025A AND A TAXABLE REVOLVING LINE OF CREDIT NOTE, SERIES 2025B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 TO FINANCE THE PROJECT; AUTHORIZING AND DELEGATING TO THE MAYOR THE SALE OF THE NOTES TO THE LENDER PURSUANT TO THE TERMS AND CONDITIONS OF A REVOLVING CREDIT AGREEMENT WITH THE LENDER; APPROVING THE EXECUTION AND DELIVERY OF SAID REVOLVING CREDIT AGREEMENT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE NOTES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Marathon, Florida (the “Issuer”) is a municipal corporation duly organized and validly existing pursuant to the Constitution and laws of the State of Florida; and

WHEREAS, the Issuer determined that it is necessary and desirable and in the best interest of the inhabitants of the Issuer to finance utility projects, including, but not limited to, design and construction of a deep injection well, pumping stations and transmission piping to connect and convert the Issuer’s shallow well system to a deep injection well system (collectively, the “Project”); and

WHEREAS, it is determined to be in the best interest of the Issuer to issue its Revolving Line of Credit Note, Series 2025A (the “Series 2025A Note”) and its Taxable Revolving Line of Credit Note, Series 2025B (the “Series 2025B Note” and together with the Series 2025A Note, the “Notes”) in an aggregate principal amount not to exceed \$10,000,000 pursuant to a Revolving Credit Agreement (the “Revolving Credit Agreement”) among the Issuer, Truist Bank (“Truist”) and Truist Commercial Equity, Inc. (“TRUCE” and together with Truist, the “Lender”), in substantially the form attached hereto as Exhibit A, to finance the Project; and

WHEREAS, debt service on the Notes will be secured by the (i) Net Revenues of the Issuer’s utility system, defined as system revenues after deducting operating expenses, (ii) Local Government Infrastructure Surtax Revenues, which are the Issuer’s portion of a countywide sales surtax, and (iii) Wastewater and Stormwater Assessments, which are special assessments levied for the respective utility systems (collectively, the “Pledged Revenues”), all as defined in the Revolving Credit Agreement; and

WHEREAS, the revenues pledged for the payment of the Notes are not now pledged or encumbered in any manner, except to the extent that the Wastewater and Stormwater

Assessments are pledged to the loans evidenced by the Clean Water State Revolving Fund Loan Agreement WW63702P between the Issuer and Florida Water Pollution Control Financing Corporation (the "Corporation"), the Clean Water State Revolving Fund Loan Agreement WW637090 between the Issuer and the Corporation, and the Clean Water State Revolving Fund Loan Agreement WW637060 between the Issuer and the Corporation (collectively, the "Parity Debt"); and

WHEREAS, the Pledged Revenues shall be sufficient to pay all principal of and interest and prepayment premium, if any, on the Notes and the Parity Debt, as the same becomes due, and to make all deposits or payments required by this Resolution and the Revolving Credit Agreement; and

WHEREAS, in the event Pledged Revenues shall be insufficient to pay debt service on the Notes (together with all other amounts due and owing thereunder), the Issuer has covenanted to budget and appropriate Non-Ad Valorem Revenues to provide funds equal to the difference between the Pledged Revenues available to pay debt service on the Notes and all other amounts due and owing thereunder and under this Resolution and the amount needed to pay the debt service on the Notes and all other amounts due and owing thereunder and under this Resolution; and

WHEREAS, the Issuer shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Notes or to make any other payments under this Resolution or the Revolving Credit Agreement. The Notes shall not constitute a lien on any property owned or situated within the limits of the Issuer; and

WHEREAS, the Issuer has received proposals from a number of financial institutions and it is hereby found, determined and declared that a negotiated sale of the Notes to the Lender pursuant to a competitive bid, is in the best interest of the Issuer because the revolving nature of the loan necessitates that the Issuer evaluate the credit capacity of the Lender which does not lend itself to selling the Notes in a public sale and will save the Issuer considerable time and expense; and

WHEREAS, it is hereby ascertained, determined and declared that it is in the best interest of the Issuer to authorize the Mayor to accept the offer from the Lender to purchase the Notes at a negotiated sale upon the terms and conditions set forth in this Resolution, the Revolving Credit Agreement and in the Term Sheet dated April 1, 2025 submitted by the Lender for the purchase of the Notes, a copy of which is attached hereto as Exhibit B (the "Term Sheet"); and

WHEREAS, the Lender will provide to the Issuer, prior to the sale of the Notes, a disclosure statement regarding the Notes containing the information required by Section 218.385(6), Florida Statutes.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

SECTION 1. RECITALS. The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. AUTHORITY. This Resolution is adopted pursuant to the Florida Constitution; Chapter 166, Florida Statutes; the Charter of the Issuer, and other applicable provisions of law.

SECTION 3. APPROVAL OF ISSUANCE OF NOTES; The issuance of the Note is hereby authorized. There is hereby authorized to be issued the "City of Marathon, Florida Revolving Line of Credit Note, Series 2025A" and the "City of Marathon, Florida Taxable Revolving Line of Credit Note, Series 2025B" in an aggregate principal amount of not to be outstanding at any time in excess of Ten Million Dollars (\$10,000,000) for the purposes of (i) financing the costs of the Project, and (ii) paying the transaction costs associated with the Notes.

SECTION 4. AUTHORIZATION OF PROJECT. The financing of the Project is hereby authorized.

SECTION 5. TERMS OF NOTES. The Notes will be repaid no later than twenty-four (24) months from the date of issuance or unless earlier prepaid or extended, as provided in the Revolving Credit Agreement and in the Notes. The Notes shall be substantially in the form attached as Exhibit A-1 and Exhibit A-2 to the Revolving Credit Agreement, with such non-material changes as shall be approved by the Mayor, such approval to be conclusively evidenced by the execution thereof by the Mayor. The Notes shall be executed on behalf of the Issuer with the manual signature of the Mayor, as attested by the City Clerk and the official seal of the Issuer. In case any one or more of the officers who shall have signed or sealed the Notes shall cease to be such officer of the Issuer before the Notes so signed and sealed has been actually sold and delivered, such Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Notes had not ceased to hold such office. The Notes may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Notes shall hold the proper office of the Issuer, although, at the date of such Notes, such person may not have held such office or may not have been so authorized.

SECTION 6. SALE OF NOTES. Because of the characteristics of the Notes, prevailing market conditions, the necessity of the Issuer to evaluate the credit capacity of the Lender, the ability of the Issuer to access direct purchase with the Lender and for the Issuer to receive the benefits of lower issuance costs, it is hereby determined that it is in the best interest of the Issuer to accept the offer of the Lender to purchase the Notes at a private negotiated sale pursuant to the terms of the Revolving Credit Agreement. Prior to the issuance of the Notes, the Issuer shall receive from the Lender a Lender's Certificate, the form of which is attached hereto as Exhibit C

and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit D.

SECTION 7. AUTHORIZATION TO EXECUTE REVOLVING CREDIT AGREEMENT. To provide for the security of the Notes and to express the contract between the Issuer and the holder thereof, the Issuer hereby authorizes the Mayor, as attested by the City Clerk and approved as to form and correctness by the City Attorney, or any other appropriate officers of the Issuer, to execute and deliver a Revolving Credit Agreement to evidence the Notes, to be entered into by and between the Issuer and the Lender, in substantially the form attached hereto as Exhibit A with such changes, insertions and omissions as may be approved by the Mayor, the execution thereof being conclusive evidence of such approval.

SECTION 8. GENERAL AUTHORITY. The Mayor, Vice Mayor, the City Clerk, the City Manager, the City Attorney and such other officers, attorneys and other agents and employees of the Issuer, as may be designated by the City Manager, are each designated as agents of the Issuer in connection with the matters described herein and are hereby authorized and empowered, collectively or individually, to take all actions and steps to execute all instruments, documents, notices and contracts on behalf of the Issuer that are necessary and desirable in connection with the execution and delivery therewith and which are specifically authorized and not inconsistent with the terms and provisions of this Resolution or the Revolving Credit Agreement, or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Notes, this Resolution and the Revolving Credit Agreement and they are hereby authorized to execute and deliver all documents which shall be required by Note Counsel or the Lender to effectuate the sale of the Notes. If the Mayor is unavailable or unable at any time to perform any duties or functions hereunder, the Vice Mayor is hereby authorized to act on his behalf. All action taken to date by the officers, attorneys and any other agents and employees of the Issuer in furtherance of the issuance of the Notes is hereby approved, confirmed and ratified.

SECTION 9. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall 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 separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Revolving Credit Agreement.

SECTION 10. EFFECT OF RESOLUTION; RATIFICATION. All resolutions or ordinances and parts thereof in conflict herewith to the extent of such conflicts, are hereby suspended and repealed; provided, however, that all of the terms and conditions of this Resolution shall be complied with in full. All prior action in connection with this Resolution is hereby ratified, confirmed, and approved.

SECTION 11. ADDITIONAL INFORMATION. The Notes and Revolving Credit Agreement shall not be executed and delivered unless and until the Issuer has received all information required by Section 218.385, Florida Statutes.

SECTION 12. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA THIS 24th DAY OF JUNE, 2025.

**CITY COUNCIL OF THE CITY OF
MARATHON, FLORIDA**

By: _____
Lynn Landry, Mayor

AYES:
NOES;
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier, City Clerk

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE USE
AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:**

Steven Williams, City Attorney

EXHIBIT A

FORM OF REVOLVING CREDIT AGREEMENT

EXHIBIT B
TERM SHEET

EXHIBIT C

FORM OF LENDER'S CERTIFICATE

This is to certify that Truist Bank ("Truist") and Truist Commercial Equity, Inc. ("TRUCE" and collectively with Truist, the "Lender") has not required City of Marathon, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance of the Revolving Line of Credit Note, Series 2025A (the "Series 2025A Note") and the Taxable Revolving Line of Credit Note, Series 2025B (the "Series 2025B Note, and together with the Series 2025A Note, the "Notes"), and no inference should be drawn that the Lender, in the acceptance of said Notes is relying on Bryant Miller Olive P.A. ("Note Counsel") or Steven Williams ("Issuer Attorney") as to any such matters other than the legal opinions rendered by Note Counsel or Issuer Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meanings set forth in the Revolving Credit Agreement, dated as of _____, 2025, by and among the Issuer, Truist and TRUCE (the "Revolving Credit Agreement").

We are aware that purchase of the Notes involve various risks, that the Notes are secured solely from the Pledged Revenues, as described in the Revolving Credit Agreement (the "Note Security").

We have made such independent investigation of the Note Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our lending decision, we have relied upon the accuracy of information which has been provided to us by the Issuer.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our purchase of the Notes and can bear the economic risk of our purchase of the Notes.

We acknowledge that the Revolving Credit Agreement is not being qualified under the Trust Indenture Act of 1939, as amended, and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933 (the "Securities Act of 1933"), Section 517.051(1), Florida Statutes, and/or Section 517.061(9), Florida Statutes, and that neither Note Counsel nor the Issuer Attorney shall have any obligation to effect any such registration or qualification.

The Notes have been purchased for the account of the Lender as evidence of a loan only and not with a present view to the distribution, transfer or resale thereof. The Lender currently intends to hold and book the Notes as a loan in its loan portfolio; the Lender acknowledges that the use of the word "Note" in the name of the debt instrument is not intended to indicate that

the instrument is or is not a security within the meaning of the Securities Act of 1933. The Lender hereby covenants that if the Lender subsequently decides to distribute or resell the Notes, it shall comply with the transfer restrictions in the Notes.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(9), Florida Statutes. We are not purchasing the Notes for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

DATED this _____ day of _____, 2025.

**TRUIST COMMERCIAL EQUITY, INC., with
respect to the Series 2025A Note**

By: _____

Name: Linda Neverson

Title: Authorized Agent

**TRUIST BANK, with respect to the Series 2025B
Note**

By: _____

Name: Linda Neverson

Title: Senior Vice President

EXHIBIT D

FORM OF DISCLOSURE LETTER

The undersigned, Truist Bank ("Truist") and Truist Commercial Equity, Inc., ("TRUCE" and collectively with Truist, the "Lender") has negotiated with City of Marathon, Florida (the "Issuer") for the private purchase of its Revolving Line of Credit Note, Series 2025A and its Taxable Revolving Line of Credit Note, Series 2025B (collectively, the "Notes") in an aggregate amount not to exceed \$10,000,000. Prior to the award of the Notes, the following information is hereby furnished to the Issuer:

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

Lender Counsel Fees – \$16,500.00

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

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

3. The amount of the underwriting spread expected to be realized by the Lender is \$0.00.

4. The management fee to be charged by the Lender is \$0.00.

5. Truth-in-Bonding Statement:

The Notes are being issued primarily to (i) pay the costs of financing the Project, and (ii) pay the costs associated with the transaction.

Unless earlier redeemed, the Series 2025A Note is expected to be repaid by _____, 2027. Unless earlier redeemed, the Series 2025B Note is expected to be repaid by _____, 2027. Because the loan of the proceeds of the Notes is a revolving credit facility with a variable

rate of interest it is impossible to determine the total amount of interest to be paid over the life of the Notes.

The Notes will be payable solely from the revenues pledged, as provided in the Revolving Credit Agreement ("Pledged Revenues"), dated as of _____, 2025, among the Issuer, Truist and TRUCE (the "Revolving Credit Agreement"). Because the loan proceeds of the Notes is a revolving credit facility with a variable rate of interest it is impossible to determine the amount of revenues of the Issuer not being available to finance other services of the Issuer during the life of the Notes.

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

Truist Commercial Equity, Inc./Truist Bank
515 East Las Olas Blvd, 7th Floor
Ft. Lauderdale, Florida 33301
Attention: Linda Neverson, Authorized Agent/Senior Vice President

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Lender this ____ day of _____, 2025.

**TRUIST COMMERCIAL EQUITY, INC., with
respect to the Series 2025A Note**

By: _____
Name: Linda Neverson
Title: Authorized Agent

**TRUIST BANK, with respect to the Series 2025B
Note**

By: _____
Name: Linda Neverson
Title: Senior Vice President

REVOLVING CREDIT AGREEMENT

by and among

CITY OF MARATHON, FLORIDA,

TRUIST BANK

and

TRUIST COMMERCIAL EQUITY, INC.

and

TRUIST BANK, AS AGENT

Dated as of

June __, 2025

**Not to be Outstanding in Excess of
\$10,000,000**

**City of Marathon, Florida
Revolving Line of Credit Note, Series 2025A**

and

Taxable Revolving Line of Credit Note, Series 2025B

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Exhibit A-2 – Form of Series 2025B Taxable Note

Exhibit B-1 – Form of Notice of Revolving Borrowing under Series 2025A Tax-Exempt Note

Exhibit B-2 – Form of Notice of Revolving Borrowing under Series 2025B Taxable Note

REVOLVING CREDIT AGREEMENT

This **REVOLVING CREDIT AGREEMENT** (this "*Agreement*") is made and entered into as of June ____, 2025, by and among the **CITY OF MARATHON, FLORIDA** (the "*Issuer*"), **TRUIST BANK**, and its successors and permitted assigns ("*Truist Bank*"), **TRUIST COMMERCIAL EQUITY, INC.**, and its successors and permitted assigns ("*TRUCE*," together with Truist Bank, the "*Lender*") and **TRUIST BANK**, as agent (the "*Agent*")

Subject to the satisfaction of the special conditions precedent set forth in Article II below, the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

W I T N E S S E T H:

WHEREAS, the Issuer is a municipality, organized and existing under Chapter 166, Florida Statutes, the Charter of the Issuer and other applicable provisions of law (the "*Act*"); and

WHEREAS, pursuant to the Act, the Issuer is authorized to finance the Project (as defined herein) pursuant to the Resolution (as hereinafter defined), the Issuer is authorized to issue debt to pay the cost thereof; and

WHEREAS, the Issuer has requested, and subject to the terms and conditions set forth in this Agreement, the Lender has agreed to extend a revolving line of credit to the Issuer; and

WHEREAS, the City Council of the Issuer (the "*Governing Body*") duly adopted Resolution No. 2025-48 on June 24, 2025 (the "*Note Resolution*") which authorized the borrowing of money, and more particularly the issuance of the Notes described below for financing of the Project; and

WHEREAS, the Issuer has requested the Lender, and the Lender has agreed, to advance funds under the terms of this Agreement to provide funds to the Issuer from time to time to make Advances hereunder to finance the Project, under and pursuant to the terms of this Agreement and (i) the Issuer's Revolving Line of Credit Note, Series 2025A (the "*Series 2025A Tax-Exempt Note*") and (ii) its Taxable Revolving Line of Credit Note, Series 2025B (the "*Series 2025B Taxable Note*" and together with the Series 2025A Tax-Exempt Note, the "*Notes*"), all on the terms and conditions set forth herein, provided that the aggregate principal amount outstanding at any one time under the Notes shall never exceed the Maximum Commitment Amount, as hereinafter defined.

WHEREAS, the Agent is acting as agent for the Lender for the purpose of coordinating the relationship hereunder between the Issuer and the Lender. The parties agree, notwithstanding anything herein to the contrary, that the Issuer may treat the Agent for all purposes of this Agreement as having the full power and authority to speak for and act on behalf of and bind each Lender, and that all payments and notices to Lender, and all waivers granted and other actions taken by Agent on behalf of the Lenders or either of them, shall be binding on such Lenders regardless of any notice the Issuer may receive to the contrary.

ARTICLE I DEFINITION OF TERMS

Section 1.01 Definitions. The words and terms used in capitalized form in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings:

"*Act*" means, collectively, the Charter, Chapter 166, Florida Statutes, the Constitution of the State, the Note Resolution, and other applicable provisions of law.

"*Additional Debt*" means the obligations issued at any time under the provisions of Section 9.01 hereof payable from Pledged Revenues on parity with the Notes and the Lender Obligations, and indebtedness incurred by the Issuer in the refinancing of any such indebtedness.

"*Advance*" means a lending of money by the Lender to the Issuer under the Revolving Commitment in accordance with Section 5.05 hereof.

"*Agreement*" means this Revolving Credit Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"*Alternative Benchmark Rate*" means (i) with respect to the Series 2025A Tax-Exempt Note Term SOFR and (ii) with respect to the Series 2025B Taxable Note 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 Lender's Prime Rate.

"*Annual Audit*" shall mean the annual audit prepared pursuant to the requirements of Section 9.06 hereof.

"*Annual Budget*" shall mean the annual budget prepared pursuant to the requirements of Section 9.03 hereof.

"*Applicable Law*" means all applicable provisions of all constitutions, statutes (including the Act), rules, regulations and orders of all State or federal governmental bodies, all Governmental Approvals and all orders, judgments and decrees of all courts and arbitrators.

"*Authorized Issuer Officer*" means for the performance on the behalf of the Issuer of any act of the Issuer or the execution of any instrument on behalf of the Issuer shall mean any person authorized by resolution or certificate of the Issuer to perform such act or sign such document.

"*Availability Period*" means the period from the date the Conditions Precedent set forth in Article II have been satisfied to the Final Maturity Date.

"*Available Commitment Amount*" shall mean the difference between the Maximum Commitment Amount and the Loan Amount.

"*Benchmark*" means initially with respect to the Series 2025A Tax-Exempt Note, the SIFMA Index Rate, and with respect to the Series 2025B Taxable Note, Term SOFR, and thereafter the then-current Successor Rate.

"*Business Day*" means any day other than (i) a Saturday or Sunday, (ii) any day on which banks in the City of New York or Monroe County, Florida are authorized or required by law or other governmental action to close and (iii) any day on which the New York Stock Exchange is closed.

"*Calculation Agent*" means (i) so long as Truist Bank and/or TRUCE holds the Series 2025A Tax-Exempt Note or the Series 2025B Taxable Note, the Agent (ii) in all other cases, such other bank, financial institution or financial advisor firm, designated from time to time by the Issuer.

"*City Manager*" means the City Manager of the Issuer or his designee or the officer or officers performing those principal functions.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"*Commitment Termination Date*" means the Final Maturity Date.

"*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 and with respect to the Series 2025A Tax-Exempt Note, an adjustment factor to adjust such replacement index to an equivalent tax-exempt rate (assuming that a Determination of Taxability has not occurred)) that Agent decides may be appropriate to reflect the adoption and implementation of such Successor Rate and to permit the administration thereof by the Agent in a manner the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Notes.

"*Consulting Engineers*" shall mean one or more qualified and recognized consulting engineers or firm of consulting engineers having favorable repute, skill and experience with respect to the planning, design and operation of public utility systems similar to the System, who shall be retained from time to time by the Issuer.

"*Counsel*" means an attorney at law or firm of attorneys at law (who may be of counsel to, including an employee of, the Issuer).

"*Debt Service Fund*" means the Debt Service Fund created pursuant to Section 4.09 hereof from which the Issuer shall make payments of the principal of and interest with respect to the Loan and other amounts due hereunder or under the Notes.

"*Debt Service Requirement*" for any Fiscal Year shall mean the sum of:

(1) The aggregate amount required to pay the interest becoming due on the Notes, during such Fiscal Year, except to the extent that such interest shall have been provided by payments

into the Interest Account out of Note proceeds or other sources (other than Pledged Revenues) for a specified period of time.

(2) The aggregate amount required to pay the principal becoming due on the Notes for such Fiscal Year.

(3) The following assumptions shall be applicable to calculating the Debt Service Requirement as follows:

(a) The interest on variable rate debt shall be the interest to accrue on such variable rate debt for such Fiscal Year; provided, however, that for purposes of determining the Maximum Debt Service Requirement, the interest on variable rate debt shall be assumed to be the greater of (A) one hundred ten percent (110%) of the average interest rate on such variable rate debt during the twelve months ending with the month preceding the date of calculation or such shorter period that such variable rate debt shall have been outstanding, and (B) the actual rate of interest on such variable rate debt on the date of calculation; and

(b) In the case of commercial paper or any debt which principal is only payable at maturity, the principal due shall be calculated based on 25-year level amortization and shall be calculated based on the most recently published Bond Buyer 25 Bond Revenue Index (or comparable index if no longer published).

"*Default*" means any of the events specified in Section 10.01 hereof which with the passage of time or giving of notice or both would constitute an Event of Default.

"*Default Rate*" means 18% per annum, not to exceed 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, solely as a result of actions or inactions of the Issuer, interest paid or payable on the Series 2025A Tax-Exempt Note is or was includable in the gross income of the holder for Federal income tax purposes (a "Taxable Event"); provided, however, that no such decree, judgment, or action will be considered final for this purpose unless the Issuer has been given written notice and, if it is so desired and is legally allowed, the Issuer has been afforded the opportunity to contest the same, either directly or in the name of the holder, the Lender or the holder of the Series 2025A Tax-Exempt Note, and until the conclusion of all appellate reviews, if sought. For avoidance of doubt and without limiting the foregoing, a Taxable Event does not include, and is not triggered by, a change in law, rule or regulation that causes the interest on the Series 2025A Tax-Exempt Note to be included in holder's gross income for federal income tax purposes.

"*Event of Default*" means an Event of Default specified in Section 10.01 of this Agreement.

"*Final Maturity Date*" means _____, 2027.

"*Finance Director*" means the Finance Director of the Issuer or the officer or officers performing those principal functions.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other period of twelve consecutive months as may hereafter be designated as the fiscal year of the Issuer by general law.

"GAAP" means generally accepted accounting and financial reporting principles applied in the United States on a consistent basis to government units as established by the Governmental Accounting Standards Board, and which are consistently applied for all applicable periods so as to present fairly the financial condition, results of operations and cash flow of the Issuer.

"Governmental Approval" means an authorization, permit, consent, approval, license or exemption from, registration or filing with, or report to, any governmental or regulatory unit.

"Gross Revenues" shall mean all income and moneys received by the Issuer from the Rates, or otherwise received by the Issuer or accruing to the Issuer in the management and operation of the System, calculated in accordance with generally accepted accounting methods employed in the operation of public utility systems similar to the System, including, without limiting the generality of the foregoing, all earnings and income derived from the investment of moneys under the provisions of this Agreement, including the Stormwater Assessments, the Wastewater Assessments and any transfers into the System from any revenue sources whatsoever.

"Indebtedness" as of any date of determination means (i) all indebtedness for borrowed money or for the deferred purchase price of property or services and (ii) all direct or indirect guaranties to assure the credit of another against loss, including without limitation agreements (x) to pay or purchase debts of another or to advance or supply funds for the payment or purchase of such debts, or (y) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling another to make payment of such debts, or (z) to supply funds to or in any other manner invest in another (including any agreement to pay for property whether or not such property is received or such services are rendered); provided, however, that the term *"Indebtedness"* shall not include (A) vehicle and equipment leases and other indebtedness or guaranties owing to trade creditors in the ordinary course of business regardless of the treatment for accounting purposes, or (B) any debt or other obligation that, by the terms of an indenture of trust or other written agreement governing such debt or obligation, (i) is not required to be paid from any revenues, fees or income derived from any source other than revenues, fees or income derived solely from the operation of property, plant or equipment specifically identified in such indenture or written agreement, or (ii) is expressly without recourse to the Issuer and for which the Issuer has no personal pecuniary liability, or (iii) is payable solely from a revenue source other than Pledged Revenues.

"Interest Payment Date" means the first day of each month, commencing [July 1], 2025, and the Commitment Termination Date.

"Interest Period" means the period commencing on the date of the Notes and with each successive Interest Period commencing on the first day of each month; provided that (i) if any Interest Period would commence on a day other than a Business Day, the then current Interest Period shall be extended and the Interest Period shall commence on the next succeeding Business Day, (ii) no Interest Period shall extend beyond the earlier of termination of the Loan whether by maturity or acceleration and (iii) the initial Interest Period may commence on the initial funding or booking date and result in a shorter or longer initial Interest Period.

"*Interest Rate*" means, except as otherwise provided herein, (i) with respect to the Series 2025A Tax Exempt Note, the Tax-Exempt Applicable Rate, and (ii) with respect to the Series 2025B Taxable Note, the Taxable Applicable Rate, and in each case subject to adjustment as provided herein.

"*Interest Rate Determination Day*" means (i) with respect to Term SOFR, that date which is two U.S. Government Securities Business Days prior to the first day of the Interest Period and (ii) with respect to the SIFMA Index Rate, the dates set forth in the definition of SIFMA Index Rate.

"*Lender Obligations*" means all amounts payable to the Lender by the Issuer under the terms of this Agreement and the Notes, other than principal and interest on the Notes.

"*Lien*" as applied to the Property of any Person, means (in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise): (a) any mortgage, lien, pledge, attachment, charge, conditional sale or other title retention agreement, or other security interest or encumbrance of any kind in respect of any Property of such Person, or upon the income or profits therefrom; and (b) any arrangement, express or implied, under which any Property of such Person is transferred, sequestered or otherwise identified for the purpose of Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person.

"*Loan*" means the revolving loan by the Lender to the Issuer contemplated hereby.

"*Loan Amount*" means the then current outstanding aggregate principal amount of the Notes issued hereunder; provided, that the aggregate principal amount outstanding under the Notes shall not in the aggregate at any one time exceed the Maximum Commitment Amount.

"*Local Government Infrastructure Surtax*" shall mean the tax levied and collected within Monroe County, Florida, pursuant to Section 212.055(2), Florida Statutes, and distributed to the Issuer pursuant to Monroe County Ordinance Nos. 13-1989, enacted on May 23, 1989, and 01-2000, enacted on January 19, 2000; as the same may be extended from time to time.

"*Local Government Infrastructure Surtax Revenues*" shall mean the Issuer's portion of the Local Government Infrastructure Surtax when, as, and if distributed to the Issuer in each year bonds are outstanding, pursuant to the provisions of Section 212.055(2)(c), Florida Statutes.

"*Material Adverse Effect*" means, (a)(i) with respect to any Person, a material adverse effect upon such Person's business, assets, liabilities, financial condition, results of operations or business prospects and (ii) with respect to a group of Persons as a whole, a material adverse effect upon such Persons' businesses, assets, liabilities, financial conditions, results of operations or business prospects taken as a whole and (b) with respect to any agreement or obligation, a material adverse effect upon the binding nature, validity or enforceability of such agreement or obligation.

"*Maximum Commitment Amount*" shall mean initially \$10,000,000, as such amount may be reduced or increased as provided herein. The Maximum Commitment Amount set forth above reflects the aggregate commitment of the Lender with respect to Advances to be made hereunder; it being understood that, under the revolving nature of this Agreement, repayments of the principal component of Advances will replenish amounts that can be drawn and redrawn hereunder, up to the Maximum

Commitment Amount, in any combination of Advances under the Series 2025A Tax-Exempt Note and Series 2025B Taxable Note.

"Maximum Debt Service Requirement" shall mean, as of any particular date of calculation, the greatest annual Debt Service Requirement for the Notes and Additional Debt for the then current or any future Fiscal Year.

"Maximum Lawful Rate" means the maximum legal rate of interest under Applicable Law and applicable to the Issuer's obligations to pay interest to the Lender with respect to amounts due to the Lender hereunder.

"Mayor" means the Mayor of the City of Marathon, Florida or his designee.

"Net Revenues" shall mean Gross Revenues less Operating Expenses.

"Non-Ad Valorem Revenues" means all legally available revenues of the Issuer, other than ad valorem tax revenues, available for payment of debt service on the Notes.

"Note Counsel" means Counsel retained by the Issuer that is of nationally recognized experience in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"Note Documents" means, at any time, each of the following as in effect or as outstanding, as the case may be, at such time: (i) the Notes, (ii) this Agreement, and (iii) the Note Resolution.

"Noteholder" or *"holder"* of the Notes shall mean, collectively, the Lender or such other registered owner to which the Notes may be assigned pursuant to Section 11.06 hereof.

"Note Resolution" means Resolution No. 2025-[048] of the Issuer authorizing the execution and delivery of this Agreement and the Notes as adopted by the Governing Body on June 24, 2025.

"Notes" means collectively, the Issuer's Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note. The term *"Note"* shall refer to either the Series 2025A Tax-Exempt Note or the Series 2025B Taxable Note (or both) as the context may require.

"Notice Address" means,
As to the Issuer:

City of Marathon, Florida
9805 Overseas Highway
Marathon, Florida 33050
Email address: jjohnson@keyscpa.com
Attn: Finance Director
Telephone: (305) 743-6586

As to the Lender (the same
address applies for Truist
Bank, the Agent and TRUCE):

Truist Bank or Truist Commercial Equity, Inc.
515 E Las Olas Blvd., 7th Floor
Fort Lauderdale, Florida 33301
Email address: linda.neverson@truist.com
Attn: Linda Neverson, Senior Vice President/Authorized Agent
Telephone: (954) 233-9727

or to such other address (or e-mail address for electronic communications) as either party may have specified in writing to the other using the procedures specified in Section 11.05 hereof.

"Notice of Revolving Borrowing" shall have the meaning set forth in Section 5.05 hereof.

"Operating Expenses" shall mean the Issuer's expenses for operation, maintenance, repairs and replacements with respect to the System and shall include, without limiting the generality of the foregoing, administration expenses, insurance and surety bond premiums, the fees of any rebate compliance service or of Note Counsel relating to compliance with the provisions of Section 148 of the Code, legal and engineering expenses, ordinary and current rentals of equipment or other property, refunds of moneys lawfully due to others, payments to pension, retirement, health and hospitalization funds, and any other expenses required to be paid for or with respect to proper operation or maintenance of the System, all to the extent properly attributable to the System in accordance with generally accepted accounting principles employed in the operation of public water utility systems similar to the System, and disbursements for the expenses, liabilities and compensation of any paying agent or registrar, or trustee, under this Agreement, but does not include any costs or expenses in respect of original construction or improvement other than expenditures necessary to prevent an interruption or continuance of an interruption of the Gross Revenues or minor capital expenditures necessary for the proper and economical operation or maintenance of the System, or any provision for interest, depreciation, amortization or similar charges.

"Original Purchaser" means, with respect to the Series 2025A Tax Exempt-Note, Truist Commercial Equity, Inc., and with respect to the Series 2025B Taxable Note, Truist Bank.

"Parity Debt" means loans evidenced by the Clean Water State Revolving Fund Loan Agreement WW63702P between the Issuer and Florida Water Pollution Control Financing Corporation (the "Corporation"), the Clean Water State Revolving Fund Loan Agreement WW637090 between the Issuer and the Corporation, and the Clean Water State Revolving Fund Loan Agreement WW637060 between the Issuer and the Corporation.

"Permitted Investments" means any investments permitted by applicable law and the Issuer's written investment policy, if any.

"Person" means an individual, corporation, partnership, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"Pledged Revenues" means the (i) Net Revenues, (ii) Local Government Infrastructure Surtax Revenues, and (iii) amounts on deposit in the Debt Service Fund and income from investments thereon.

"Prime Rate" means the per annum rate which Truist Bank announces from time to time to be its prime rate, as in effect from time to time. The prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. Truist Bank may make commercial loans or other loans at rates of interest at, above or below the prime rate. Each change in the prime rate shall be effective from and including the date such change is announced as being effective.

"Principal Office" means, with respect to the Lender, the office of the Lender specified in the Notice Address, or such other office as the Lender may designate to the Issuer in writing.

"Project" means, collectively, the Series 2025A Project and the Series 2025B Project.

"2025A Project Account" means the 2025A Note Project Account created pursuant to Section 4.11 hereof.

"2025B Project Account" means the 2025B Taxable Project Account created pursuant to Section 4.11 hereof.

"Property" means any interest in any kind of property or assets, whether real, personal or mixed, or tangible or intangible.

"Quarterly Payment Date" means the first day of each January, April, July and October.

"Rates" shall mean the rates, fees, rentals and other charges which shall be made and collected by the Issuer for the use of the product, services and facilities to be provided by the System.

"Rebate Amount" means the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-1(b) 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.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank 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 Bank of New York or another administrator).

"Renewal and Replacement Fund Requirement" shall mean, on the date of calculation, an amount of money equal to five percent (5%) of the Gross Revenues received by the Issuer in the immediately preceding Fiscal Year, or such other amount as may be recommended to the Issuer by the Consulting Engineers and approved by the Governing Body as an amount appropriate for the purposes of this Agreement.

"Required Lenders" has the meaning set forth in Section 11.01 hereof.

"Revolving Commitment" means the obligation of the Lender to make Advances to the Issuer in an aggregate principal amount at any time outstanding of not exceeding the Maximum Commitment Amount.

"Series 2025A Noteholder" shall mean TRUCE or such other registered owner to which the Series 2025A Tax-Exempt Note may be assigned pursuant to Section 11.06 hereof.

"Series 2025A Project" means those portions of the Project financed with proceeds of the Series 2025A Tax-Exempt Note.

"Series 2025A Tax-Exempt Note" means the Revolving Line of Credit Note, Series 2025A.

"Series 2025B Noteholder" shall mean Truist Bank or such other registered owner to which the Series 2025B Taxable Note may be assigned pursuant to Section 11.06 hereof.

"Series 2025B Project" means those portions of the Project which are not part of the Series 2025A Project and financed with proceeds of the Series 2025B Taxable Note.

"Series 2025B Taxable Note" means the Taxable Revolving Line of Credit Note, Series 2025B.

"SIFMA Index Rate" means, for any day, the rate per annum determined on the basis of the seven-day high-grade market index comprised of tax-exempt variable rate demand obligations, as produced by or under the sponsorship of the Securities Industry and Financial Markets Association ("SIFMA") (or any successor organization) as the SIFMA Municipal Swap index and published the immediately preceding Wednesday (or the next business day which is not a SIFMA-recommended market holiday, if Wednesday is a SIFMA-recommended market holiday) as quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by the Agent. For purposes of clarity, the SIFMA Index Rate shall be effective on each Thursday through the following Wednesday. If the SIFMA Index Rate determined as above would be less than zero percent (0%), then it shall be deemed to be zero percent (0%). The rate of interest charged shall be adjusted based on changes in the SIFMA Index Rate without notice to the Issuer.

"State" means the State of Florida.

"Stormwater Assessments" shall mean a special assessment (sometimes characterized as a non-ad valorem assessment) levied by the Issuer from time to time for the cost of providing stormwater treatment services and facilities to property within the incorporated area of the City of Marathon, Florida.

"Stormwater System" shall mean the system of conveyances used for collecting, storing and transporting stormwater owned by the Issuer, but not including any facilities intended to be used in accordance with applicable law for collecting, and transporting sanitary or other wastewater.

"Successor Rate" has the meaning given in Section 5.09(a) herein.

"System" shall mean, collectively, the Wastewater System and Stormwater System of the Issuer. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interest in properties of the Issuer which the Issuer determines shall not constitute a part of the System for the purpose of this Agreement.

"Tax-Exempt Applicable Margin" means 35 basis points (0.35%).

"Tax-Exempt Applicable Rate" shall mean with respect to the Series 2025A Tax-Exempt Note: (i) the Tax-Exempt Loan Rate, (ii) upon a Determination of Taxability, the Taxable Loan Rate.

"Tax-Exempt Loan Rate" shall mean the sum of (i) the SIFMA Index Rate plus (ii) the Tax-Exempt Applicable Margin.

"Taxable Applicable Margin" means 49 basis points (0.49%).

"Taxable Applicable Rate" shall mean with respect to the Series 2025B Taxable Note the Taxable Loan Rate.

"Taxable Loan Rate" shall mean the sum of Term SOFR plus the Taxable Applicable Margin.

"Term SOFR" means the Term SOFR reference rate for a one month tenor as administered by the Term SOFR Administrator and quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Lender on the Interest Rate Determination Day; provided that if as of 5:00 p.m. (New York time) on the Interest Rate Determination Day, Term SOFR for such tenor has not been published by the Term SOFR Administrator, then, subject to Section 5.08, the rate used will be Term SOFR for such tenor as published by the Term SOFR Administrator for the immediately preceding U.S. Government Securities Business Day on which such rate was published on the Term 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 Interest Rate 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%).

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

"U.S. Government Securities Business Day" means 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.

"Wastewater Assessments" shall mean a special assessment (sometimes characterized as a non-ad valorem assessment) levied by the Issuer for the cost of providing wastewater treatment collection

facilities and wastewater treatment facilities to property within the incorporated area of the City of Marathon, Florida.

"Wastewater System" shall mean the Issuer's system for the collection, treatment and discharge or reuse of wastewater located primarily in the service area of the Issuer, including, without being limited to, all facilities for the collection, treatment and discharge of wastewater, including plants, buildings, machinery, franchises, pipes, fixtures, equipment and all property, real or personal, tangible or intangible, previously used in connection with the Wastewater System.

Section 1.02 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.03 Accounting Matters. Unless otherwise defined herein or in the Note Documents, all accounting terms used herein and in the Note Documents are used with the meanings ascribed to such terms in accordance with GAAP.

Section 1.04 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.01 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

Section 1.05 Computation of Time Periods. In this Agreement, except as otherwise expressly provided herein, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

ARTICLE II

SPECIAL CONDITIONS PRECEDENT TO EFFECTIVENESS; LENDER ACKNOWLEDGEMENT

Section 2.01 Conditions Precedent. Notwithstanding anything herein to the contrary, the representations, warranties and covenants of each party contained herein shall not become effective or enforceable until the following conditions precedent are satisfied:

(a) The Governing Body has approved the adoption of the Note Resolution including the exhibits thereto; and

(b) The Lender has reasonably determined that the conditions precedent to the initial Advance as set forth in Sections 6.01 and 6.02 have been satisfied (other than the opinion of Note Counsel as to the excludability of interest for federal income tax purposes if an initial Advance on the Series 2025A Tax-Exempt Note is not being made on the date hereof); and

(c) Each party shall have received from the other party any closing documents they may otherwise reasonably require as shall be evidenced by the acceptance of the Notes by the Lender.

ARTICLE III REPRESENTATIONS OF ISSUER

To induce the Lender to enter into this Agreement and make the Loan hereunder, the Issuer hereby represents and warrants to the Lender that:

Section 3.01 Organization, Powers, Etc. The Issuer is a municipal corporation duly organized and validly existing under the Act. The Issuer has the power to borrow the amounts provided for in this Agreement, to execute and deliver the Note Documents, to secure the Notes in the manner contemplated hereby, and to perform and observe all the terms and conditions of the Note Resolution and the Note Documents on its part to be performed and observed. The Issuer may lawfully issue the Notes in order to finance and refinance the costs of the Project.

Section 3.02 Authorization; Absence of Conflicts, Etc. The Issuer has full legal right, power, and authority to adopt the Note Resolution and to execute and deliver this Agreement, to issue, execute and deliver the Notes to the Lender, and to carry out and consummate all other transactions contemplated hereby and by the other Note Documents (as it applies to the Project and the Loan), and the Issuer has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The Issuer, pursuant to the Note Resolution, has duly authorized the borrowing of the amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Notes to the Lender, and to that end the Issuer warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Notes. The Issuer has duly adopted the Note Resolution and authorized the execution, delivery, and performance of the Notes and this Agreement and the taking of any and all other such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Note Documents (as it applies to the Project and the Loan). This Agreement and the Notes have been duly authorized, executed, issued and delivered to the Lender and constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms and the terms of the Note Resolution, and are entitled to the benefits and security of the Note Resolution and this Agreement. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the execution and delivery of this Agreement and the issuance of the Notes or the execution and delivery of or the performance by the Issuer of its obligations under the Note Documents have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

Section 3.03 Binding Obligation. This Agreement has been duly executed and delivered by the duly authorized officers of the Issuer and is, and each of the Note Documents to which the Issuer is a party, when executed and delivered will be, a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its respective terms, except to the extent, if any, that the enforceability thereof may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, debt adjustment or other similar law or enactment now or hereafter enacted by the State or Federal government affecting the enforcement of creditors' rights generally, (ii) general

principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) the special provisions set forth in Article II.

Section 3.04 Governmental Approvals. All Governmental Approvals necessary for the Issuer to enter into this Agreement and the Note Documents to which it is a party and to perform its obligations hereunder and thereunder have been obtained and remain in full force and effect and are subject to no further administrative or judicial review, and no other Governmental Approval is necessary for the due execution, delivery and performance by the Issuer of this Agreement or such Note Documents.

Section 3.05 Compliance with Applicable Law. The Issuer is in compliance with all Applicable Law, including all Governmental Approvals, except for non-compliance that, singly or in the aggregate, have not had and will not have a Material Adverse Effect on the binding nature, validity or enforceability of, or the authority or ability of the Issuer to perform its obligations under, the Note Documents to which it is a party or this Agreement.

Section 3.06 Financial Statements. The Issuer has furnished to the Lender copies of audited financial statements of the Issuer for the most recently available Fiscal Year. Such financial statements present fairly, in accordance with GAAP, the financial position of the Issuer at their respective dates and their respective revenues and expenses and changes in fund balances for the periods covered thereby. Except as disclosed or reflected in such statements, as at the date of the Issuer's most recent audited balance sheet, the Issuer had no liabilities, contingent or otherwise, and there were no unrealized or anticipated losses of the Issuer, that individually or in the aggregate have had or may have a Material Adverse Effect on the Issuer or its ability to perform its obligations pursuant to this Agreement and the Note Documents to which it is a party. No change in the financial condition of the Issuer has occurred that might, in the reasonable judgment of the Issuer, have a Material Adverse Effect on the Issuer's ability to perform its obligations to the Lender pursuant to this Agreement or any of the Note Documents to which it is a party.

Section 3.07 Absence of Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the Issuer, threatened against or affecting the Issuer, or questioning the validity of any proceeding taken or to be taken by the Issuer in connection with the execution, delivery and performance by the Issuer of the Note Documents to which it is a party, or this Agreement or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the Issuer of any of the foregoing, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding (i) would adversely affect the validity or enforceability of, or the authority or ability of the Issuer to perform its obligations under, the Note Documents to which it is a party or this Agreement, (ii) would have a Material Adverse Effect on the Issuer's financial condition or fund reserves or (iii) would adversely affect the validity of the Act or any provision thereof material to the transactions contemplated by this Agreement or any of the Note Documents.

Section 3.08 Absence of Defaults. The Issuer is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which the Issuer is a party or any judgments, decrees or orders, except for defaults that, singly or in the aggregate, have not had and will not have a Material Adverse Effect on the Issuer's ability to perform its obligations pursuant to this Agreement or any of the Note Documents to which it is a party.

Section 3.09 Accuracy and Completeness of Information. All copies of agreements furnished to the Lender by or on behalf of the Issuer in connection with the negotiation, preparation or execution of this Agreement or the Note Documents are true, correct and complete and include, in each instance, all amendments, supplements and modifications thereto, and all written statements made to the Lender by or on behalf of the Issuer in connection with the approval by the Lender of the extension of credit contemplated hereby are true and correct in all material respects.

Section 3.10 Lien in Favor of the Lender. The obligations of the Issuer to the Lender hereunder and under the Notes are secured by a valid lien on the Pledged Revenues in favor of the Lender. The lien on the Pledged Revenues in favor of the Lender shall be for the equal and proportionate benefit and security of the Notes, the Parity Debt and any Additional Debt permitted hereunder, all of which shall be of equal rank without preference, priority or distinction, as to lien or otherwise. No filing of any financing statement or other recordation is required under Applicable Law to create, preserve and protect such lien against other creditors of the Issuer.

Section 3.11 No Sovereign Immunity. The defense of sovereign immunity is not available to the Issuer in any proceeding by the Lender to enforce any of the obligations of the Issuer under this Agreement or any Note Document, except to the extent that any such proceeding seeks enforcement based on a tort or similar claim. Except to the extent sovereign immunity is waived as provided in this Section, nothing herein is intended to serve as a waiver of sovereign immunity by the Issuer nor shall anything included herein be construed as consent by the Issuer to be sued by third parties in any matter arising out of this Agreement.

ARTICLE IV THE NOTE

Section 4.01 Issuance of the Notes. The Issuer has authorized the issuance of the Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note in the collective aggregate principal amount, not to exceed at any one time the Maximum Commitment Amount to evidence Advances made hereunder.

Section 4.02 Registration and Exchange of Notes. The Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note shall initially be owned by the respective Original Purchasers. The ownership of the Notes may only be transferred, other than transfers to successors of the Lender, and the Issuer will register the transfer of ownership of the Notes, only upon compliance with the requirements of Section 11.06 hereof and upon written request of the Lender to the Issuer specifying the name, address and taxpayer identification number of the qualifying transferee, and the Issuer will keep and maintain at all times a record setting forth the identification of the owner of the Notes. The Notes may only be sold, assigned or otherwise transferred to an affiliate of the Lender, an "accredited investor," as defined in Rule 501(A)(1), (2) or (3) under Regulation D of the Securities Act of 1933. The Person in whose name the Notes shall be registered shall be deemed and regarded the absolute owner thereof for all purposes, and payment of principal and interest on such Notes 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 Notes to the extent of the sum or sums so paid. No such transfer shall relieve the Noteholders of their commitment to make Advances in accordance with the terms hereof.

Section 4.03 Notes Mutilated, Destroyed, Stolen or Lost. In case a Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Note, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for such Note destroyed, stolen or lost and upon the Lender furnishing the Issuer proof of ownership thereof and an affidavit of lost or stolen instrument to the Issuer and paying such expenses as the Issuer may reasonably incur in connection therewith.

Section 4.04 Payment of Principal and Interest. The Issuer promises that it will promptly pay the principal of and interest on the Notes, at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and of the Notes and the Note Resolution, provided that the Issuer may be compelled to pay the principal of and interest on with respect to the Notes from the Pledged Revenues, and nothing in the Notes, this Agreement or the Note Resolution shall be construed as pledging any other funds or assets of the Issuer to such payment or as authorizing such payment to be made from any other source.

Section 4.05 Pledge. The Notes have been authorized pursuant to the Note Resolution, and the Issuer hereby pledges the Pledged Revenues as security for the Notes. The Issuer promises that it will promptly pay the principal of and interest on the Loan at the place, on the dates and in the manner provided in the Notes and this Agreement according to the true intent and meaning hereof and thereof, provided that the principal of and interest on the Loan is payable solely from the Pledged Revenues, and nothing in the Notes or this Agreement shall be construed as pledging any other funds or assets to such payment or as authorizing such payment to be made from any other source. The Notes are special obligations of the Issuer secured by the Pledged Revenues and are payable from the Pledged Revenues as provided in this Agreement and the Note Resolution. To the extent that the Pledged Revenues are insufficient to pay the Notes, the Issuer covenants to budget and appropriate Non-Ad Valorem Revenues

to make the payment due on the Notes, in the manner provided in Section 7.03. The Notes will not constitute a general debt, liability or obligation of the Issuer or the State or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the Issuer or of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Notes and the Noteholders shall never have the right to compel any exercise of any ad valorem taxing power of the Issuer or of the State or any political subdivision thereof, directly or indirectly to enforce such payment. The Notes shall not constitute a lien upon any property of the Issuer except upon the Pledged Revenues.

Section 4.06 Investment of Funds. Any securities purchased with the moneys in any fund, account or subaccount contemplated hereunder shall be deemed a part of such fund, account or subaccount and, for the purpose of determining the amount of money in such fund, account or subaccount, the securities therein shall be valued at their cost or market value, whichever is lower; provided, however, that investments which are intended to be held until maturity shall be valued at par. The interest on securities in each such fund, account or subaccount, including realized discount on securities purchased (after deduction for accrued interest paid from such fund, account or subaccount at time of purchase) shall also be deemed a part of the fund, account and subaccount from which it was derived. If at any time it shall become necessary that some or all of the securities purchased with the moneys in the Debt Service Fund or any subaccounts therein be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Agreement, the Issuer shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same.

Section 4.07 Limited Liability of Officers of the Issuer. Neither the Lender nor any Noteholder shall look to any present or future officer, agent, or employee of the Issuer for damages suffered by the Lender or such Noteholder as a result of the failure of the Issuer, while acting in good faith, to perform any covenant, undertaking or obligation under this Agreement, the Notes or any instrument pertaining to the issuance, sale and delivery of the Notes, nor as a result of the incorrectness of any representation made by the Issuer or any officer, agent, or employee thereof in good faith, in any such instrument. In acting under this Agreement, or in refraining from acting under this Agreement, the Issuer, its officers, agents, and employees may conclusively rely on advice of counsel. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future employee, officer or agent of the Issuer in his individual capacity, and neither the members of the Governing Body of the Issuer or agents or employees of the Issuer nor any official executing this or the Notes shall be subject to any personal liability or accountability by reason hereof.

Section 4.08 Tax Representations, Warranties and Covenants of the Issuer. It is the intention of the Issuer that the interest on the Series 2025A Tax-Exempt Note be and remain excluded from gross income for federal income tax purposes and to this end the Issuer hereby represents to and covenants with the Noteholder 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 Series 2025A Tax-Exempt Note issued 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 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 of the Issuer to timely pay the Rebate Amount to the United States of America;

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

(4) to maintain and retain all records pertaining to the Rebate Amount with respect to the Series 2025A Tax-Exempt Note and required payments of the Rebate Amount with respect to the Series 2025A Tax-Exempt Note for at least six years after the Final Maturity Date or such other period as shall be necessary to comply with the Code;

(5) to refrain from taking any action that would cause the Series 2025A Tax-Exempt Note to become an arbitrage bond under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on 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 Series 2025A Tax-Exempt Note.

Notwithstanding any other provision of the Note Resolution, the obligation of the Issuer to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 4.08 shall survive the defeasance or payment in full of the Series 2025A Tax-Exempt Note.

Section 4.09 Creation of Funds. The funds and accounts described in this Section are created hereby and are designated as indicated. Each fund and account is to be maintained as a separate trust account provided that separate accounts may be created and maintained in any such fund and separate subaccounts may be created and maintained in any such account.

The following funds and accounts are hereby created:

- (a) the "Revenue Fund";
- (b) the "Operation and Maintenance Fund";
- (c) the "Debt Service Fund" and the "Interest Account," and the "Principal Account" therein; and
- (d) the Renewal and Replacement Fund; and
- (e) the Rebate Fund.

Section 4.10 Application of Pledged Revenues and Non-Ad Valorem Revenues, if Applicable

(A) Revenues. The Issuer shall deposit all Gross Revenues into the Revenue Fund, promptly upon the receipt thereof. On or before the last day of each month, commencing with the month in which delivery of the Notes shall be made to the purchasers thereof, the moneys in the Revenue Fund shall be deposited or credited in the following manner and in the following order of priority:

(1) Operation and Maintenance. The Issuer shall deposit into or credit to the Operation and Maintenance Fund such sums as are necessary to pay Operating Expenses for

the ensuing month. Amounts in the Operation and Maintenance Fund shall be paid out from time to time by the Issuer for reasonable and necessary Operating Expenses; provided, however, that no such payment shall be made unless the provisions of Section 9.03 hereof in regard to the current Annual Budget of the Issuer are complied with.

(2) Debt Service Fund. Next, the Issuer shall deposit into or credit to the Debt Service Fund such sums as are described in Section 4.10(B) hereof.

(3) Renewal and Replacement Fund. Next, the Issuer shall deposit into or credit to the Renewal and Replacement Fund such sums as shall be sufficient to pay one-twelfth (1/12) of the Renewal and Replacement Fund Requirement until the balance on deposit in the Renewal and Replacement Fund equals the Renewal and Replacement Fund Requirement. If the balance on deposit in the Renewal and Replacement Fund exceeds the Renewal and Replacement Fund Requirement such excess amount shall be transferred by the Issuer from the Renewal and Replacement Fund and deposited into the Revenue Fund. The moneys in the Renewal and Replacement Fund shall be applied by the Issuer for the purpose of paying the cost of extensions, improvements or additions to, or the replacement or renewal of capital assets of, the System, or extraordinary repairs of the System; provided, however, that on or prior to each principal and interest payment date for the Notes (in no event earlier than the fifteenth day of the month next preceding such payment date), moneys in the Renewal and Replacement Fund shall be applied for the payment into the Interest Account in the Principal Account when the moneys therein are insufficient to pay the principal of and interest on the Notes coming due, but only to the extent moneys available in the Reserve Fund for such purpose pursuant to Section 4.10(C) hereof shall be inadequate to fully provide for such insufficiency.

(4) Surplus Moneys. The balance of any moneys remaining in the Revenue Fund after the payments and deposits required by part (1) through (3) of this subsection (A) may be used for any lawful purpose.

(B) Debt Service Fund. The Issuer shall deposit into or credit to the Debt Service Fund from moneys in the Revenue Fund, and to the extent required, the Non-Ad Valorem Revenues pursuant to Section 7.03 and the Local Government Surtax Revenues, sufficient to make all of the deposits required by this subsection (B). The moneys on deposit in the Debt Service Fund shall be applied in the manner provided herein solely for the payment of the principal of and interest on the Notes, the Parity Debt and any Additional Debt (collectively, the "Debt") and shall not be available for any other purpose. The moneys transferred from the Revenue Fund to the Debt Service Fund shall be deposited or credited in the following manner and in the following order of priority:

(1) Interest Account. The Issuer shall deposit into or credit to the Interest Account the sum which, together with the balance in said account, shall equal the interest on all the Debt accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each). Moneys in the Interest Account shall be applied by the Issuer to pay interest on the Debt as and when the same shall become due, whether by redemption or otherwise, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Payment Date so as to provide sufficient moneys in the Interest Account to pay the interest coming due on the Notes on such Interest Payment Date.

(2) Principal Account. Next, the Issuer shall deposit into or credit to the Principal Account the sum which, together with the balance in said account, shall equal (a) the principal amount of all Debt due and unpaid, (b) that portion of the principal amount of the Debt next due which would have accrued on such Debt next due during the then current calendar month if such principal amount thereof were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each) in equal installments from a date one year preceding the due date of such Debt next due and (c) the portion of the principal amount of the Debt next due which shall have accrued on such basis in prior months. Not later than the month immediately preceding any principal payment date, the Issuer shall adjust the amount of the deposit into the Principal Account so as to provide sufficient moneys in the Principal Account to pay the principal on the Debt becoming due on such principal payment date. Notwithstanding the foregoing, if a balloon payment of principal is coming due, the Issuer may provide for refunding of such Debt or determine such other means of payment during the year prior to the Debt becoming due and no monthly deposit will be required. Moneys in the Principal Account shall be applied by the Issuer to pay the principal of the Debt as and when the same shall become due, whether at maturity or otherwise, and for no other purpose.

(C) Redemption of Notes. The Issuer, in its discretion, may use moneys in the Principal Account and the Interest Account or other legally available monies to redeem Notes coming due on the next principal payment date, provided such redemption does not adversely affect the Issuer's ability to pay the principal or interest coming due on such principal payment date on the Notes not so redeemed.

(D) Payment of Debt. On or before the date established for payment of any principal or interest on the Debt, the Issuer shall withdraw from the Debt Service Fund sufficient moneys to pay such principal or interest.

(E) Rebate Fund. Amounts on deposit in the Rebate Fund shall be held in trust by the Issuer and used solely to make required rebates to the United States Treasury (except to the extent the same may be transferred to the Revenue Fund) and the Noteholders shall have no right to have the same applied for debt service on the Notes. The Issuer agrees to undertake all actions required of it in its arbitrage certificate relating to Series 2025 Tax-Exempt Note, and other instructions from Note Counsel, delivered in connection with or subsequent to the issuance of such Series 2025 Tax-Exempt Note.

Section 4.11 Project Fund. There is hereby created a Project Fund and the "2025A Project Account," and the "2025B Project Account" therein. The Project Fund shall be used only for payment of the cost of the Project. Moneys in the 2025A Project Account shall be used for the Series 2025A Project and Moneys in the 2025B Project Account shall be used for the Series 2025B Project.

Moneys in each account of the Project Fund, until applied in payment of any item of the cost of a Project in the manner hereinafter provided, shall be held in trust and shall be subject to a lien and charge in favor of the holders of the Notes for which such account was established and for the further security of such holders.

There shall be paid into the Project Fund the amounts required to be so paid by this Agreement, and there may be paid into the Project Fund, at the option of the Issuer, any moneys received for or in connection with a Project by the Issuer from any other source.

The proceeds of insurance maintained pursuant to this Agreement against physical loss of or damage to a Project, or of contractors' payment and performance bonds and/or corporate guaranty with respect thereto pertaining to the period of construction thereof, shall be deposited into the appropriate account of the Project Fund.

Notwithstanding any of the other provisions of this Section 4.11, to the extent that other moneys are not available therefor, amounts in an account of the Project Fund shall be applied to the payment of principal of and interest on the Notes when due.

The date of completion of a Project shall be determined by the Authorized Issuer Officer who shall certify such fact in writing to the Governing Body and to a trustee bank, if one has been appointed to hold the Project Fund. Promptly after the date of the completion of a Project, and after paying or making provisions for the payment of all unpaid items of the cost of such Project, the Issuer shall deposit in the following order of priority any balance of moneys remaining in the applicable account of the Project Fund in (1) another account of the Project Fund for which the Authorized Issuer Officer has stated that there are insufficient moneys present to pay the cost of the related Project, and (2) such other fund or account of the Issuer; including those established hereunder, as shall be determined by the Governing Body, provided the Issuer has received an opinion of Note Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Notes from gross income for federal income tax purposes.

Section 4.12 Moneys to be Held in Trust. Until applied as provided herein to the payment of the Debt, Pledged Revenues in the Debt Service Fund shall be held by the Issuer in trust for the benefit of the Holders of the Debt.

Section 4.13 Investments. Moneys in any fund or account created hereunder may be invested and reinvested in Permitted Investments which mature not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund. All income on such investments, except as otherwise provided, shall be deposited in the respective funds and accounts from which such investments were made and be used for the purposes thereof unless and until the maximum required amount is on deposit therein, and thereafter shall be deposited in the Revenue Fund.

ARTICLE V FUNDING THE LOAN

Section 5.01 The Loan. Subject to the terms and conditions set forth herein, the Lender agrees to make Advances to the Issuer, from time to time during the Availability Period, in an aggregate principal amount outstanding at any time that will not result in the sum of the composite principal amount of Advances then outstanding under such Notes to exceed in the aggregate the Maximum Commitment Amount, to provide funds to finance and refinance the costs of any Project for which proceeds of the Notes may be applied in accordance with the terms hereof. During the Availability Period, the Issuer shall be entitled to borrow, prepay and reborrow in accordance with the terms and conditions of this Agreement; provided, that the Issuer may not request an Advance should there exist at such time a Default or an Event of Default. The Issuer's obligation to pay the principal of, and interest on, the Advance shall be evidenced by the records of the Lender and by the Notes. The entries made in such records and/or on the respective schedules annexed to the Notes shall be *prima facie* evidence of the existence and amounts of the obligations of the Issuer therein recorded; provided, that the failure or delay of the Lender in maintaining or making entries into any such record or on such schedule or any error therein shall not in any manner affect the obligation of the Issuer to repay the Loan Amount (both principal and unpaid accrued interest) in accordance with the terms of this Agreement.

Section 5.02 Description and Payment Terms of the Notes. To evidence the obligation of the Issuer to repay the Advances, the Issuer shall make and deliver to the Lender the Notes in the forms attached hereto as Exhibit "A-1" and "A-2," respectively. Interest on the principal amount of all Advances shall accrue at the Tax-Exempt Applicable Rate with respect to the Series 2025A Tax-Exempt Note, and the Taxable Applicable Rate with respect to the Series 2025B Taxable Note, in each case from and including the date such Advances are made to but excluding the date of any repayment thereof, with such interest payable monthly in arrears on each Interest Payment Date.

At any time that the Loan Amount exceeds the Maximum Commitment Amount, due to a reduction in the Maximum Commitment Amount or otherwise, the Issuer shall promptly repay to the Lender principal in such amount that the Loan Amount will no longer exceed the Maximum Commitment Amount. The outstanding principal amount of all Advances shall be due and payable (together with accrued and unpaid interest thereon) on the Commitment Termination Date.

Section 5.03 Termination of Commitment; Request for Renewal and Extension of Availability. Unless previously terminated or extended by mutual written agreement of the Lender and the Issuer, the Revolving Commitment shall terminate on the Final Maturity Date. Upon prior written notice from the Issuer at least 90 days prior to the end of the Availability Period, the Issuer may request a renewal or extension of the Availability Period for an additional one year period. If the Issuer shall make such request, the Lender shall within 30 days of such request notify the Issuer in writing whether or not the Lender will extend the Availability Period and the terms and conditions upon which such extension may be considered. If the Lender shall not so notify the Issuer, the Lender shall be deemed to have not consented to such request.

Section 5.04 Interest Rate.

(a) Except as otherwise adjusted as described below, the Series 2025A Tax-Exempt Note shall bear interest at the Tax-Exempt Applicable Rate and the Series 2025B Taxable Note shall bear interest at the Taxable Applicable Rate, which on the date of the original delivery of the Notes to the Lender shall be the Tax-Exempt Loan Rate with respect to the Series 2025A Tax-Exempt Note and the Taxable Loan Rate with respect to the Series 2025B Taxable Note.

So long as the Default Rate shall not be in effect, the Calculation Agent shall determine the Interest Rate on each Interest Rate Determination Day, and such rate shall become effective on the first day of the immediately succeeding Interest Period (or such other day as set forth in the definition of SIFMA Index Rate or a successor rate that is reset more frequently than monthly). Such Interest Rate shall be in effect to and including the last day of the related Interest Period (or such other day as set forth in the definition of SIFMA Index Rate or a successor rate that is reset more frequently than monthly). All Advances evidenced by a Note shall bear interest at the same Interest Rate. In the event an Advance is advanced on a date other than an Interest Rate Determination Day and no Advances are currently outstanding hereunder, the Calculation Agent shall determine Interest Rate based upon the Interest Rate in effect two (2) U.S. Government Securities Business Days immediately preceding the date of such Advance.

The determination of the Tax-Exempt Applicable Rate and the Taxable Applicable Rate (absent manifest error) shall be conclusive and binding upon the Issuer. If for any reason the Lender shall fail to establish the Tax-Exempt Loan Rate or the Taxable Loan Rate, the Notes shall bear interest at the Tax-Exempt Applicable Rate or the Taxable Applicable Rate, as applicable, last in effect for such Note.

(b) In the event of a Determination of Taxability, the Interest Rate on the Series 2025A Tax-Exempt Note shall be adjusted to the Taxable Loan Rate effective on the next succeeding Interest Payment Date. In addition, promptly following a Determination of Taxability, the Issuer agrees to pay to the Series 2025A Noteholder, subject to such Determination of Taxability the Additional Amount. "Additional Amount" means (i) the difference between (a) interest on the Series 2025A Tax-Exempt Note at a rate per annum equal to the Taxable Loan Rate, for the period commencing on the date on which the interest on the Series 2025A Tax-Exempt Note ceases to be excludable from gross income for federal income tax purposes and for which the Internal Revenue Service is able to assess a deficiency and ending on the earlier of the date the Series 2025A Tax-Exempt Note ceased to be outstanding or the date the Series 2025A Tax-Exempt Note began to bear interest at the Taxable Loan Rate (the "Taxable Period"), and (b) the aggregate amount of interest paid on the Series 2025A Tax-Exempt Note for the Taxable Period under the provisions of this Agreement and the Series 2025A Tax-Exempt Note without considering the Determination of Taxability, plus (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Series 2025A Noteholder as a result of the occurrence of a Determination of Taxability.

(c) The Lender shall, except as provided in Section 5.04(a) hereof with respect to the periodic calculation of the Tax-Exempt Loan Rate and the Taxable Loan Rate, promptly notify the Issuer in writing of any adjustments to the Interest Rates. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments may be retroactive, to the extent expressly provided herein. The Lender shall certify to the Issuer in writing the additional amount, if any, due to the Lender as a result of an adjustment in the Interest Rates pursuant hereto.

(d) If the Series 2025A Noteholder or the Series 2025B Noteholder is any person or entity other than either of the Original Purchasers, in no event shall the adjustments contemplated in this Section 5.04 with respect to the Series 2025A Tax-Exempt Note exceed the amounts that otherwise would have applied had the respective Original Purchaser been the Series 2025A Noteholder and the Issuer shall not be obligated to pay any fees, costs, expenses or other Lender Obligations, including, without limitation, taxes and the like under this Agreement, in amounts greater than it would have been obligated to pay the Original Purchaser, had no such transfer or assignment occurred.

(e) The Issuer agrees to pay to the Lender interest on any and all amounts required to be paid under this Agreement (excluding interest on interest) from and after the due date thereof until payment in full at the Default Rate.

(f) Notwithstanding any other provision of this Agreement to the contrary, if the rate of interest payable on the Notes or any Lender Obligation hereunder shall exceed the Maximum Lawful Rate for any period for which interest is payable, then interest only at the Maximum Lawful Rate shall be due and payable with respect to such interest period (interest at the rate equal to the difference between (A) the rate of interest otherwise payable in accordance with the terms hereof but for the limitation provided for in this Section 5.04(f), and (B) the Maximum Lawful Rate being referred to herein as the "Excess Interest"), and notwithstanding any subsequent reduction in the Interest Rate that otherwise would be applicable but for the limitation provided for in this Section 5.04(f), the Lender Obligations shall continue to bear interest, from and after the date on which any Excess Interest is accrued, at the Maximum Lawful Rate until Excess Interest is fully paid to the applicable Lender or Lenders.

Section 5.05 Requisitions for Advances; Other Conditions.

(a) The Issuer shall give the Lender written notice of each Advance substantially in the form of Exhibit "B-1" for an Advance with respect to the Series 2025A Tax-Exempt Note and substantially in the form of Exhibit "B-2" for an Advance with respect to the Series 2025B Taxable Note (each such written notice a "*Notice of Revolving Borrowing*") prior to 12:00 noon and each Notice of Revolving Borrowing shall be irrevocable and shall specify: (i) the principal amount of the Advance, and (ii) the proposed date of such Advance (which shall be a Business Day and shall be no earlier than two Business Days following the date that the request for such Advance shall be deemed received by the Lender) and whether such Advance shall be made under the Series 2025A Tax-Exempt Note or Series 2025B Taxable Note. The Issuer may not request an Advance on the Series 2025A Tax-Exempt Note which the interest as of the date of such requested would not be excluded from the gross income of the holder for federal income tax purposes.

Any Notice of Revolving Borrowing received by the Lender after 12:00 noon shall be deemed received on the next Business Day. The aggregate principal amount of each Advance shall be not less than \$100,000 (in any combination of either or both Notes) or in such lesser amounts equal to the Available Commitment Amount and not more than one (1) Advance may be made per calendar month; provided, however, the funding of an Advance made by the Lender that does not comply with the foregoing shall be deemed to be a waiver of such conditions.

Promptly following the receipt of a Notice of Revolving Borrowing in accordance herewith, the Lender will make available the amount of such Advance to be made hereunder on the requested date of such Advance (which shall be a Business Day and shall be no earlier than two Business Days following the date that the request for such Advance shall be deemed received by the Lender hereunder), by wire transfer (or other electronic means) to the Issuer in immediately available funds by 4:00 p.m.

(b) No Advance shall be requested by the Issuer or honored by the Lender upon an Event of Default or a default that with the passage of time or giving of notice, or both, would be an Event of Default.

(c) Notwithstanding anything to the contrary herein, upon the closing of the Loan on the date hereof, an initial Advance may be made pursuant to a closing memorandum executed by the Mayor or other authorized officer of the Issuer, indicating the amount of the Advance requested and whether the Advance shall be funded under the Notes.

Section 5.06 Right of Prepayment. The Issuer shall have the right at any time and from time to time to prepay the Loan Amount, in whole or in part, without premium or penalty, by giving written notice (or telephonic notice promptly confirmed in writing) to the Lender not less than two (2) Business Days prior to any such prepayment. Each such notice shall be irrevocable and shall specify the proposed date of such prepayment and the principal amount or portion thereof to be prepaid. Such amount shall be due and payable on the date designated in such notice, together with accrued interest to such date on the amount so prepaid. Each partial prepayment of the Loan Amount shall not be less than \$10,000 (in any combination of either or both Notes) and increments of \$1 in excess thereof or, if less, the principal balance of the Notes then outstanding.

Section 5.07 Computation of Interest and Fees; Application of Payments.

(a) All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed).

(b) All payments made on the Notes shall be applied first to interest accrued to the date of payment and next to the unpaid principal balance; provided, however, that after an Event of Default, payments shall be applied in accordance with Section 10.02 hereof.

Section 5.08 Unused Commitment Fees. The Issuer agrees to pay the Lender, during the Availability Period, allocated between the Noteholders if the Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note are held by different parties as permitted under Section 11.06, pro rata based on the then outstanding principal amount of each Note, an unused commitment fee of thirteen basis points (0.13%) on the difference between the average Loan Amount during the preceding fiscal quarter and such Maximum Commitment Amount (the "Unused Fee"); provided, however, that the Unused Fee shall be waived if the average outstanding principal amount during the prior quarter to the fee payment is greater than 60% of the Maximum Commitment Amount.

The Unused Fee shall be due and payable quarterly in arrears on each Quarterly Payment Date and on the Final Maturity Date, commencing October 1, 2025.

Section 5.09 Effect of Benchmark Transition Event.

(a) In the event the 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 the Lender may no longer utilize the Benchmark for purposes of setting Interest Rates (each a "*Benchmark Transition Event*"); the Lender will have no obligation to make, fund or maintain a loan based on the Benchmark and on a date and time determined by the Lender, without any further action or consent by the Issuer or amendment to this Agreement or the Notes, the first available alternative set forth in the order below that can be determined by the 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, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary in this Agreement or the Notes, 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 Agreement and the Notes. For avoidance of doubt, following the implementation of the Successor Rate, in determining the applicable Interest Rate, any margin or credit spread to the index under the Notes shall be added to the Successor Rate and any provisions for a minimum rate shall apply.

(c) The Lender will notify (in one or more notices) the Issuer of the implementation of any Successor Rate. Any determination or decision that may be made by the 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 the Lender's sole discretion and without consent from the Issuer.

(d) In the event the Lender determines in its sole discretion that the 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 the 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 Notes shall adjust simultaneously with any fluctuation in the Alternative Benchmark Rate. In the event the

Lender determines that the circumstances giving rise to the Unavailability Period have ended, at such time as determined by the Lender the Benchmark will revert to the prior Benchmark (provided a Benchmark Transition Event has not occurred). The 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 the implementation of the Successor Rate, in determining the applicable Interest Rate any margin or credit spread to the index under the Notes shall be added to the Successor Rate and any provisions for a minimum rate shall apply.

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 the Lender of any amounts payable by the Issuer hereunder (other than taxes imposed on the overall net income of the 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 the Lender, or (iii) shall impose any other condition with respect to the Notes, and the result of any of the foregoing is to increase the cost to the Lender of making or maintaining the loan evidenced by the Notes or to reduce any amount receivable by the Lender under the loan evidenced by the Notes, and the 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 the Lender, pay to the Lender additional amounts sufficient to compensate the 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 the Lender, shall be conclusive and binding in the absence of manifest error.

ARTICLE VI CONDITIONS OF LENDING

Section 6.01 Conditions Precedent to Making the Initial Advance. The Lender's obligation to enter into this Agreement and to make the initial Advance as set forth in Section 5.01 hereof is subject to the conditions precedent that, on or prior to the date of the delivery of the Notes to the Lender, the Lender shall receive the following documents, each dated the date of delivery of the Notes to the Lender, in form and substance satisfactory to it:

- (a) a fully executed counterpart original of this Agreement, duly executed by the Issuer;
- (b) the original Notes;
- (c) certified copies of the Note Resolution, and certified copies of all other documents evidencing any other official action of the Issuer taken with respect thereto as each is then in full force and effect;
- (d) customary closing certificates executed by appropriate officers of the Issuer respecting its organization, the incumbency of its officers, the execution and delivery of the Notes and the other Note Documents to which it is a party, the compliance with all conditions precedent to the issuance of the Notes and the consummation of the transactions contemplated

by this Agreement and the Note Documents, and such other matters as the Lender may reasonably require;

(e) certified copies of all Governmental Approvals, if any, necessary for the Issuer to execute, deliver and perform its obligations under this Agreement and the Note Documents;

(f) a favorable opinion of Counsel to the Issuer, which shall be addressed to the Lender and shall be in form and substance satisfactory to the Lender, concerning such matters as the Lender may reasonably request, including, but not limited to, opining (i) as to the due organization and valid existence of the Issuer, the due authorization, execution and delivery of this Agreement and the Notes and the enforceability thereof; and (ii) to the effect that all consents and approvals required with respect to the Project or components thereof to be financed or refinanced with the proceeds of the Notes have been obtained, and if not obtained, are expected to be obtained;

(g) a certificate of an appropriate officer of the Issuer to the effect that all conditions precedent contained in this Section 6.01 and Section 6.02 hereof have been fulfilled by the Issuer;

(h) an opinion of Note Counsel, either addressed to the Lender or in the form of a reliance opinion to the Lender, to the effect that under existing law, the Notes, when issued in accordance with this Agreement, will be valid and legally binding special obligations of the Issuer, payable solely from and secured by the Pledged Revenues, all in accordance with the terms of this Agreement and that the interest on the Series 2025A Tax-Exempt Note is excludable from the gross income of the holder thereof for purpose of federal income taxation; and

(i) such other documents, certificates, instruments, opinions, including reliance letters, approvals (and, if requested by the Lender, certified duplicates of executed copies thereof) or filings with respect to the Note Documents and this Agreement, in each case as the Lender or its Counsel may reasonably request.

Section 6.02 Additional Conditions Precedent. The Lender's obligation to make Advances hereunder shall be additionally subject to the conditions precedent that the following statements shall be true and correct on the date of the delivery of the Notes to the Lender, or the date of the Advance, as applicable, and the Lender shall receive a certificate signed by the Finance Director or the Mayor or another authorized officer of the Issuer, dated the date of the delivery of the Notes to the Lender, or the date of the Advance, as applicable, to the effect that:

(a) the representations and warranties of the Issuer set forth herein and the other Note Documents are true and correct in all material respects on and as of the date of delivery of the Notes as though made on and as of such date (unless given as of a specific date); and

(b) as of such date, no Default or Event of Default has occurred and is continuing, or would result directly or indirectly from the Lender's making of the Loan.

ARTICLE VII
AFFIRMATIVE COVENANTS OF THE ISSUER

From the date of delivery of the Notes to the Lender and until the termination of this Agreement and payment in full of all amounts payable hereunder and under the Note Documents, the Issuer hereby covenants and agrees that:

Section 7.01 Compliance with Note Documents. The Issuer will observe and perform fully and faithfully all of its obligations under this Agreement and the Note Documents to which it is a party (whether or not any such Note Document expires in accordance with its terms).

Section 7.02 Compliance with Applicable Laws. The Issuer will comply in all material respects with any and all Applicable Laws material to the Issuer, the Note Documents to which it is a party and this Agreement.

Section 7.03 Covenant to Budget and Appropriate.

(a) To the extent that the Pledged Revenues are insufficient for payment of the Notes, subject to the next paragraph, the Issuer covenants and agrees and has a positive and affirmative duty to appropriate in its Annual Budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund amounts sufficient to pay amounts due hereunder to the extent that amounts on deposit in the Debt Service Fund are insufficient therefor. Such covenant and agreement on the part of the Issuer to budget, appropriate and deposit 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, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided herein. The Issuer further acknowledges and agrees that the obligations of the Issuer to include the amount of such amendments in each of its Annual Budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted, appropriated and deposited as provided herein, 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 Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Lender a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a lien on and pledge of specific components of the Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Agreement to the contrary notwithstanding, it is understood and agreed that all obligations of the Issuer hereunder shall be payable solely from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for herein and nothing herein shall be deemed to pledge ad valorem tax power or ad valorem taxing revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no holder of the Notes nor any other person, may compel the levy of ad valorem taxes on real or personal property

within the boundaries of the Issuer or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues. The Issuer is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. Until such monies are budgeted, appropriated and deposited as provided herein, neither this Agreement nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer, but shall be payable solely as provided herein subject to the availability of Non-Ad Valorem Revenues after satisfaction of funding requirements for obligations having an express lien on or pledge of such revenues and funding requirements for essential governmental services of the Issuer.

(b) The Non-Ad Valorem Revenues of the Issuer on deposit in the Debt Service Fund and other amounts on deposit from time to time therein, plus any earnings thereon, are pledged to the repayment of the Notes.

Section 7.04 Accounting and Reports. The Issuer will maintain its present customary system of accounting in accordance with GAAP and will furnish to the Lender:

(a) within 270 days after the end of each Fiscal Year, audited financial statements for such Fiscal Year;

(b) within 30 days of its adoption, the Issuer's Annual Budget for the next succeeding Fiscal Year; and

(c) promptly, from time to time, such other information regarding the operations, financial condition and property of the Issuer as the Lender may reasonably request.

Section 7.05 Maintenance of Books and Records. The Issuer will maintain complete and accurate books and records pertaining to the Issuer and all receipts and disbursements with respect thereto in accordance with GAAP.

Section 7.06 Notice of Defaults. The Issuer shall within ten (10) Business Days after it acquires knowledge thereof, notify the Agent in writing at its Notice Address provided in Section 1.01 hereof upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Lender, with such written notice, a detailed statement by a responsible officer of the Issuer of all relevant facts and the action being taken or proposed to be taken by the Issuer with respect thereto. Regardless of the date of receipt of such notice by the Lender, such date shall not in any way modify the date of occurrence of the actual Event of Default.

Section 7.07 Visits and Inspections. The Issuer will permit representatives of the Lender, from time to time as often as may be reasonably requested, subject to Applicable Law and during regular business hours, to (i) visit and inspect the facilities of the Issuer, (ii) inspect the books and records of the Issuer related to the facilities and make copies and extracts of such books and records that relate to the Issuer's performance under this Agreement and any Note Documents to which it is a party, and (iii) discuss the affairs, finances and accounts of the Issuer with, and to be advised as to the same by, its

officials, all in connection with the performance by the Issuer of its obligations hereunder and under the Note Documents.

Section 7.08 Preservation of Lien. The Issuer shall take all necessary action to maintain and preserve the Lien on the Pledged Revenues, to secure the Notes and the Lender Obligations.

Section 7.09 Use of Proceeds. The Issuer covenants that the proceeds from the Notes will be used only to pay the costs of the Project.

Section 7.10 Further Assurances. The Issuer will, at any and all times, insofar as it may be authorized so to do by Applicable Law, pass, make, do, execute, acknowledge and deliver every and all such further resolutions, acts, deeds, conveyances, assignments, recordings, filings, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, revenues and other funds pledged or assigned to the payment of the Notes (including the interest thereon) and payment of its obligations hereunder and under the Note Documents.

ARTICLE VIII NEGATIVE COVENANTS OF THE ISSUER

From the date of delivery of the Notes to the Lender and until the termination of this Agreement and payment in full of all amounts payable hereunder and under the Note Documents, the Issuer hereby covenants and agrees that:

Section 8.01 Amendments to Note Documents. The Issuer shall not alter or amend the Note Documents, without prior written approval of the Lender.

Section 8.02 No Pledge or Impairment; Additional Debt. Except as set forth in Section 9.01 hereof, the Issuer will not pledge or permit a lien to occur on any Pledged Revenues to any other indebtedness of the Issuer or issue any indebtedness payable from Pledged Revenues without the express written consent of the Lender.

Section 8.03 Exempt Status. The Issuer will not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Series 2025A Tax-Exempt Note from the gross income of the holders thereof for Federal income tax purposes.

Section 8.04 No Acceleration Rights Granted to Others. The Issuer will not grant to any holder of other debt, lender or credit support provider that is secured by a pledge of any element of the Pledged Revenues which secures the Notes, the right to accelerate the payment of the principal of or interest on such debt, or the right to cause the mandatory redemption of such debt prior to its stated maturity under the respective debt or credit instrument, as the case may be.

ARTICLE IX
FURTHER AFFIRMATIVE COVENANTS OF THE ISSUER

Section 9.01 Additional Debt Test. The Issuer covenants and agrees that it will not issue any other obligations payable from or secured by the Pledged Revenues or any other security pledged to secure payment of the Notes, unless the conditions hereinafter set forth shall be met, or unless the lien of such obligations is junior and subordinate in all respects to the lien of the Notes.

The Issuer may issue Additional Debt to be secured by a parity lien on and ratably payable from the Pledged Revenues, provided in each instance that:

(a) The Issuer is in compliance with all covenants and undertakings in connection with the Notes and payable from the Pledged Revenues and has not been in default as to any payments required to be made under this Agreement.

(b) The Issuer shall certify that it is current in all deposits into the various funds and accounts established hereby and all payments theretofore required to have been deposited or made by it under the provisions of this Agreement and has complied with the covenants and agreements of this Agreement.

(c) There shall have been obtained and filed with the Issuer a certificate of the Finance Director: (1) stating that the Finance Director has examined the books and records of the Issuer relating to the collection and receipt of Gross Revenues and relating to Operating Expenses; (2) setting forth the amount of Net Revenues, for the most recent Fiscal Year for which audited financial statements for the System are available or any twelve (12) consecutive months selected by the Issuer of the twenty four (24) months immediately preceding the issuance of such Additional Debt; (3) stating that such Net Revenues, adjusted as provided in Section 9.01(f) hereof, equal at least 1.15 times the Maximum Debt Service Requirement for the Notes, the Parity Debt and such Additional Debt then proposed to be issued.

(d) In computing the Maximum Debt Service Requirement for purposes of this Section 9.01, the interest rate on any outstanding variable rate debt, and on additional parity variable rate debt then proposed to be issued, shall be calculated as provided in the definition of Debt Service Requirement.

(e) For the purpose of this Section 9.01, the phrase "the most recent Fiscal Year audited financial statements for the System are available or any twelve (12) consecutive months selected by the Issuer of the twenty-four (24) months immediately preceding the issuance of such Additional Debt" shall be sometimes referred to as "twelve (12) consecutive months."

(f) Such Net Revenues may be adjusted, at the option of the Issuer, as follows:

(1) If the Issuer, prior to the issuance of the proposed Additional Debt, shall have adopted and implemented an increase in the Rates, the Net Revenues for the twelve (12) consecutive months shall be adjusted to show the Net Revenues which would have been derived from the System in such twelve (12) consecutive months as if such increased Rates had been in effect during all of such twelve (12) consecutive months.

(2) If the Issuer, prior to the issuance of the proposed Additional Debt, shall have acquired or has contracted to acquire any privately or publicly owned existing utility system, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed Additional Debt, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of said Additional Debt shall be increased by adding to the Net Revenues for said twelve (12) consecutive months the Net Revenues which would have been derived from said existing utility system as if such existing utility system had been a part of the System during such twelve (12) consecutive months. For the purposes of this paragraph, the Net Revenues derived from said existing utility system during such twelve (12) consecutive months shall be adjusted to determine such Net Revenues by deducting the cost of operation and maintenance of said existing utility system from the gross revenues of said system. Such Net Revenues shall take into account any increase in rates imposed on customers of such acquired wastewater system on or prior to the acquisition thereof by the Issuer.

(3) If the Issuer, in connection with the issuance of Additional Debt, shall enter into a contract (with a duration not less than the final maturity of such Additional Debt) with any public or private entity whereby the Issuer agrees to furnish services in connection with any wastewater system, then the Net Revenues of the System during the twelve (12) consecutive months immediately preceding the issuance of said Additional Debt shall be increased by the least amount which said public or private entity shall guarantee to pay in any one year for the furnishing of said services by the Issuer, after deducting therefrom the proportion of Operating Expenses and repair, renewal and replacement cost attributable in such year to such services.

(4) In the event the Issuer shall be constructing or acquiring additions, extensions or improvements to the System from the proceeds of such Additional Debt and shall have established Rates to be charged and collected from users of such facilities when service is rendered, such Net Revenues may be adjusted by adding thereto the Net Revenues estimated by the Finance Director to be derived during the first twelve (12) months of operation after completion of the construction or acquisition of said additions, extensions and improvements from the proposed users of the facilities to be financed by Additional Debt together with other funds on hand or lawfully obtained for such purpose.

(5) If the Issuer, prior to the issuance of the proposed Additional Debt, shall have obtained new ongoing customers of the System the Net Revenues for the twelve (12) consecutive months shall be adjusted to reflect the additional Net Revenues which would have been derived from the System with respect to such customers, as if such customers had been utilizing the System during all of such twelve (12) consecutive months.

(g) In the event any Additional Debt is issued for the purpose of refunding any Notes, Parity Debt or Additional Debt then outstanding, the conditions of Sections 9.01(a) and (b) shall not apply, provided that the issuance of such Additional Debt shall not result in an increase in the aggregate amount of principal of and interest on the outstanding Notes, Parity Debt and Additional Debt becoming due in the current Fiscal Year or any subsequent Fiscal Years. The conditions of Section 9.01(b) hereof shall apply to Additional Debt issued for refunding purposes which cannot meet the conditions of this paragraph.

Section 9.02 Operation and Maintenance. The Issuer will maintain or cause to be maintained the System and all portions thereof in good condition and will operate or cause to be operated the same in an efficient and economical manner, making or causing to be made such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

Section 9.03 Annual Budget. The Issuer shall annually prepare and adopt, prior to the beginning of each Fiscal Year, an Annual Budget in accordance with applicable law. Total expenditures for the operation and maintenance of the System made in any Fiscal Year shall not be in excess of the amount provided therefor in the Annual Budget unless such expenditures have been approved by amendment to the Annual Budget.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, other than the first Fiscal Year, the preliminary budget for such Fiscal Year shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year shall be adopted.

The Issuer shall mail copies of such Annual Budgets and amended Annual Budgets and all resolutions authorizing increased expenditures for operation and maintenance to any holder who shall file an address with the City Clerk and request in writing that copies of all such Annual Budgets and resolutions be furnished to such holder and shall make available all such Annual Budgets and resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any holder or to anyone acting for or on behalf of any holder. The Issuer shall be permitted to make a reasonable charge for furnishing to any holder such Annual Budgets and resolutions.

Section 9.04 Rates. The Issuer shall fix, establish, maintain and collect such Rates and revise the same from time to time, whenever necessary, as will always provide in each Fiscal Year Net Revenues adequate at all times to pay in each Fiscal Year at least one hundred ten percent (110%) of the current annual Debt Service Requirement becoming due in such Fiscal Year on each outstanding Notes and Additional Debt. Such Rates shall not be so reduced so as to be insufficient to provide Net Revenues fully adequate for the purposes provided therefore by this Agreement.

Section 9.05 Books and Records. The Issuer shall keep books, records and accounts of the operation of the System, Gross Revenues and Operating Expenses and the holders shall have the right at all reasonable times to inspect all books, records and accounts of the Issuer relating thereto.

Section 9.06 Annual Audit. The Issuer shall, immediately after the close of each Fiscal Year, cause the books, records and accounts relating to the System to be properly audited by a recognized independent firm of certified public accountants (the "Annual Audit"), and shall require such accountants to complete their report of such Annual Audit in accordance with applicable law. Such Annual Audits shall contain, but not be limited to, a balance sheet, an income statement, a statement of changes in financial position, a statement of changes in retained earnings, a statement of the number and classification of users and services of the System and rates associated with such services, a statement of insurance coverage, and any other statements as required by law or accounting convention, and a certificate by such accountants disclosing any material default on the part of the Issuer of any covenant

or agreement herein. Each Annual Audit shall be in conformity with generally accepted accounting principles. A copy of each Annual Audit shall regularly be furnished to any holder who shall have furnished an address to the City Clerk and requested in writing that the same be furnished to such holder. The Issuer shall be permitted to make a reasonable charge for furnishing to any holder such Annual Audit.

Section 9.07 No Mortgage or Sale of the System. The Issuer irrevocably covenants, binds and obligates itself not to sell, lease, encumber or in any manner dispose of the System as a whole or any substantial part thereof (except as provided below) until all of the Notes and Additional Debt and all interest thereon shall have been paid in full.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System in the following manner, if any one of the following conditions exist: (A) such property is not necessary for the operation of the System, (B) such property is not useful in the operation of the System, (C) such property is not profitable in the operation of the System, or (D) the disposition of the property will be advantageous to the System and will not adversely affect the security for the holders.

Prior to any such sale, lease or other disposition of said property: (1) if the amount to be received therefor is not in excess of ten percent (10%) of the value of the gross plant of the System at original cost, an Authorized Issuer Officer shall make a finding in writing determining that one or more of the conditions for sale, lease or disposition of property provided for in the second paragraph of this Section 5.08 have been met; or (2) if the amount to be received from such sale, lease or other disposition of said property shall be in excess of ten percent (10%) of the value of the gross plant of the System at original cost, an Authorized Issuer Officer and the Consulting Engineers shall each first make a finding in writing determining that one or more of the conditions for sale, lease or other disposition of property provided for in the second paragraph of this Section 9.07 have been met, and the Governing Body of the Issuer shall, by resolution, duly adopt, approve and concur in the finding of an Authorized Issuer Officer and the Consulting Engineers.

The proceeds from such sale, lease or other disposition shall be deposited into the Renewal and Replacement Fund to the extent necessary to make the amount therein equal to the Renewal and Replacement Fund Requirement, and second, into the Revenue Fund.

The transfer of the System as a whole from the control of the Governing Body to some other board or authority which may hereafter be created for such purpose and which constitutes a governmental entity, interest on obligations issued by which is excluded from gross income of the holders thereof for federal income tax purposes under Section 103 of the Code, shall not be deemed prohibited by this Section 9.07 and such successor board or authority shall fall within the definition of "Issuer" in Section 1.01 hereof. Upon the transfer, the Pledged Revenues together with revenues of such other board or authority shall be sufficient to pay the principal and interest on the Notes. The Issuer also reserves the right to enter into management or operations contracts from time to time for all or any portion of the System, provided that such management or operations contract are consistent with the requirements of this Agreement.

Notwithstanding the foregoing provisions of this Section 9.07, the Issuer shall have the authority to sell for fair and reasonable consideration any land comprising a part of the System which is no longer

necessary or useful in the operation of the System and the proceeds derived from the sale of such land shall be disposed of in accordance with the provisions of the fourth paragraph of this Section 9.07.

The Issuer may make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the System if such contract, license, easement or right does not, in the opinion of the System engineers, as evidenced by a certificate to that effect kept on file by the Issuer, impede or restrict the operation by the Issuer of the System, but any payments to the Issuer under or in connection with any such contract, license, easement or right in respect of the System or any part thereof shall constitute Gross Revenues.

Section 9.08 Insurance. The Issuer will carry such insurance as is ordinarily carried by private or public corporations owning and operating utilities similar to the System with a reputable insurance carrier or carriers, including public and product liability insurance in such amounts as the Issuer shall determine to be sufficient and such other insurance against loss or damage by fire, explosion (including underground explosion), hurricane, tornado or other hazards and risks, and said property loss or damage insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System, or such other amount or amounts as the System's engineers shall deem sufficient.

The Issuer may establish certain minimum levels of insurance for which the Issuer may self-insure. Such minimum levels of insurance shall be to the same extent customary with utilities operating properties similar to the System.

In the event of any loss or damage to the System covered by insurance, the Issuer will, with respect to each such loss, promptly repair, reconstruct or replace the parts of the System affected by such loss or damage to the extent necessary to the proper conduct of the operation of the business of the System, shall cause the proceeds of such insurance to be applied for that purpose to the extent required therefor, and pending such application, shall hold the proceeds of any insurance policy covering such damage or loss in trust to be applied for that purpose to the extent required therefor.

Section 9.09 No Free Service. The Issuer will not render, or cause to be rendered, any free services of any nature by its System or any part thereof, nor will any preferential rates be established for users of the same class. Distinctions among classes shall be undertaken by the Governing Body in its discretion. This section does not apply to the Issuer or any department or entity of the Issuer.

Section 9.10 No Impairment. The Issuer will not enter into any contract or contracts, nor take any action, the results of which might impair the rights of the Holders and will not permit the operation of any competing stormwater or wastewater service facilities within the service area of the Issuer; provided, however, the Issuer reserves the right to permit the ownership and operation of stormwater or wastewater service facilities or both by itself or by others in any territory which is not in any service area now or hereafter served by the System.

Section 9.11 Compulsory Connections. In order to better secure the prompt payment of principal and interest on the Notes, as well as for the purpose of protecting the health and welfare of the inhabitants of the Issuer, and acting under authority of the Act or other applicable laws of the State, the Issuer will require every owner of each lot in the area of operation of the Issuer which abuts upon any street or public way containing a wastewater line which shall be a part of the facilities of the System and

upon which lot a building shall exist and be used for residential, commercial or industrial use, to connect such building to such facilities and to cease to use any other method for the wastewater transmission.

Section 9.12 Enforcement of Charges. The Issuer shall compel the prompt payment of Rates, Wastewater Assessments, Stormwater Assessments or other amounts owed for service rendered on every lot or parcel connected with the System, and to that end will vigorously enforce all of the provisions of any contract, rules, or resolution of the Issuer having to do with connections to the facilities of the System and charges therefor, and all of the rights and remedies permitted the Issuer under law, including the requirement for the making of a reasonable deposit by each user. The Issuer also covenants in order to better secure the prompt payment of principal and interest on the Notes to cease providing stormwater or wastewater service to any user of the System of all premises delinquent in the payment, and the securing of injunction against the use of the facilities of the System, by any premises delinquent in the payment of such charges.

Section 9.13 Covenant to Perform Undertakings. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in the Notes executed and delivered hereunder, and in all proceedings of the Issuer pertaining thereto. The Issuer represents, warrants and covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Notes authorized hereby and to enter into this Agreement, to pledge the Pledged Revenues in the manner and to the extent herein set forth; that all action on its part for the issuance of the Notes initially issued hereunder and the execution and delivery of this Agreement has been duly and effectively taken; and that such Notes in the hands of the holders and owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the tenor and import thereof.

Section 9.14 Covenant to Perform Further Acts. The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such loan agreements supplemental hereto and such further acts, instruments and transfers as the Lender may reasonably require for the better pledging unto the Lender of all and singular the Pledged Revenues pledged hereby to the payment of the principal of and interest, on the Notes.

ARTICLE X EVENTS OF DEFAULT

Section 10.01 General. An "*Event of Default*" shall be deemed to have occurred under this Agreement if:

(a) The Issuer shall fail to make any payment of the principal of, interest on or other amounts due under this Agreement or the Notes;

(b) The Issuer shall default in the performance of or compliance with any covenant contained herein, other than a covenant that is dealt with in any other subsection of this Section 10.01, which default or non-compliance shall continue and not be cured within thirty (30) days after the earlier of (i) written notice thereof to the Issuer by the Lender or (ii) actual knowledge of such breach by a responsible officer of the Issuer, or such longer period as may be reasonably necessary to cure such default, as long as the Issuer initiates curative action within such 30-day period and diligently prosecutes such action until the cure has been achieved, but not to exceed 90 days;

(c) Any warranty, representation or other written statement made by or on behalf of the Issuer contained herein, or in any of the Note Documents, is false or misleading in any material respect on any date when made; or

(d) (i) The Issuer shall (A) commence a voluntary case under the Federal bankruptcy laws (as now or hereafter in effect), (B) file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, debt adjustment, winding up or composition or adjustment of debts, (C) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws, (D) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its property, (E) admit in writing its inability to pay, or generally not be paying, its debts as they become due, (F) make a general assignment for the benefit of creditors, or (G) take any official action for the purpose of effecting any of the foregoing; or (ii) a case or other proceeding shall be commenced against the Issuer in any court of competent jurisdiction seeking (A) relief under the Federal bankruptcy laws (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (B) the appointment of a trustee, receiver, custodian, liquidator or the like of the Issuer, or of all or a substantial part of its property, and any such case or proceeding shall continue undismissed or unstayed for a period of sixty (60) consecutive calendar days, or an order granting the relief requested in any such case or proceeding against the Issuer (including but not limited to, an order for relief under such Federal bankruptcy laws) shall be entered; or (iii) a governmental authority having jurisdiction over the Issuer shall impose a debt moratorium, debt restructuring, debt adjustment or comparable restriction on repayment when due and payable of the principal of or interest on any Indebtedness.

Section 10.02 Effect of Event of Default. Upon the occurrence of an Event of Default, the Lender may, in its sole discretion, but shall not be obligated to, exercise all or any of its rights and remedies as it may otherwise have under Applicable Law or under this Agreement, or any Note Document or otherwise, by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for specific performance of any covenant or agreement contained in this Agreement or any Note Document, or in aid or execution of any power granted herein or therein or for the enforcement of any proper legal or equitable remedy. Remedies shall not include a right of acceleration of the Notes unless such right shall have been granted to any other lender secured by the Pledged Revenues.

All payments made on the Notes, after an Event of Default, shall be first applied to accrued interest, then to any reasonable costs or expenses, including reasonable legal fees and expenses that the Lender may have incurred in protecting or exercising the Lender's rights under the Note Documents and the balance thereof shall apply to the principal sum due. From and after any Event of Default hereunder and so long as such Event of Default remains uncured, interest shall accrue on principal then outstanding under the Notes at the Default Rate. Upon an Event of Default, and so long as such Event of Default remains uncured, the Lender may reduce the Maximum Commitment Amount to the Loan Amount.

ARTICLE XI MISCELLANEOUS

Section 11.01 Waivers, Amendments. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Issuer and the Lender. If, pursuant to the terms of Section 11.06, there is more than one Lender, amendments and waivers will require approval of both Lenders (the "Required Lenders"), except that the consent of all Lenders or affected Lenders shall be required to (i) extend or increase the Maximum Commitment Amount, or (ii) extend the date scheduled for payment of any principal (excluding any mandatory prepayment), interest or fees, or (iii) reduce the principal amount of the Loan, the rate of interest thereunder or fees payable in respect thereof, or (iv) reduce the percentage required for Required Lenders. No course of dealing between the Issuer and the Lender, nor any delay in exercising any rights hereunder, shall operate as a waiver of any rights of the Lender hereunder. Unless otherwise specified in such waiver or consent, a waiver or consent given hereunder shall be effective only in the specific instance and for the specific purpose for which given.

Section 11.02 Survival of Representations and Warranties. All statements of or on behalf of the Issuer contained in any Note Document or in any certificate, financial statement or other instrument delivered by or on behalf of the Issuer pursuant to or in connection with this Agreement (including but not limited to any such statement made in or in connection with any amendment hereto or thereto) shall constitute representations and warranties of the Issuer made under this Agreement. All representations and warranties of the Issuer made under this Agreement shall survive the execution and delivery of this Agreement, regardless of any investigation made by the Lender or on their behalf.

Section 11.03 Costs, Expenses and Taxes; Reimbursement.

(a) The Issuer shall pay within thirty days of demand (i) the reasonable fees and disbursements of counsel to the Lender, in connection with the negotiation, preparation and execution of this Agreement and the other documents described herein in an amount not to exceed \$16,500, (ii) all reasonable out-of-pocket expenses and internal charges of the Lender (including fees and disbursements of counsel to the Lender) incurred in connection with any waiver or consent under any Note Document or any amendment of any Note Document or any Default or alleged Default hereunder, and (iii) if there is an Event of Default, all reasonable out-of-pocket expenses and internal charges incurred by the Lender in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom. To the extent permitted by law, the Issuer shall pay any and all transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Notes.

(b) In addition to any other amounts payable by the Issuer under this Agreement, the Issuer hereby agrees, to the extent permitted by law, to reimburse the Lender, promptly upon demand, in respect of all claims, demands, liabilities, damages, losses, reasonable costs, reasonable charges and reasonable expenses (including reasonable attorneys' fees) that the Lender may incur or be subject to as a consequence of (i) the making of the Loan, (ii) any breach by the Issuer of any warranty, covenant, term or condition in, or the occurrence

of any default under, this Agreement or any Note Document, including all reasonable fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default, or (iii) involvement in any legal suit, proceeding or action as to which the Lender is involved as a consequence of its making of the loan, their execution of this Agreement or any other event or transaction contemplated by any of the foregoing; provided that the Lender shall not be entitled to reimbursement under this Section to the extent that claims, demands, liabilities, damages, losses, costs, charges and expenses to be reimbursed are the result of the gross negligence or willful misconduct of the Lender. Nothing in this Section is intended to limit the Issuer's obligations contained in this Agreement.

Section 11.04 Right of Setoff; Other Collateral. Except as otherwise provided herein with respect to amounts owed hereunder, the Lender waives any and all current or future common law or statutory liens, security interests, rights of setoff and rights of recoupment to such special purpose accounts and such special purpose deposits therein, and all proceeds (as defined in Chapter 679, Florida Statutes) derived therefrom.

Section 11.05 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission, e-mail or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid; provided, however, that, notwithstanding anything to the contrary contained herein, no communication to the Lender shall be effective until the Lender has actually received such communication. In each case notice shall be sent to the Notice Address.

Section 11.06 Continuing Obligation; Assignment. This Agreement is a continuing obligation of the Issuer and shall, until all amounts due and owing hereunder and under the Notes have been paid in full, (a) be binding upon the Issuer and its successors and assigns, and (b) inure to the benefit of and be enforceable by the Lender and its successors, and permitted transferees and assigns. The Lender may assign or transfer the Notes and its rights and obligations hereunder to another financial institution. Each Note may be assigned to a separate qualified financial institution, potentially resulting in two Lenders hereunder, but each Note may only be assigned in whole and not in part. The Issuer shall not assign its rights hereunder without the express written consent of the Lender. As a condition precedent to Lender's proposed transfer of the Notes to separate qualified institutions, one of the assignee institutions must agree to assume the role of "Agent" and "Lender" hereunder under terms reasonably satisfactory to the Issuer so that the Issuer is obligated to make payments to, and to interact solely with, that entity as Lender for all purposes of this Agreement, such terms to be contained in an amendment to this Agreement as executed by the Issuer and each such institution, in form and substance satisfactory to the Issuer, pursuant to which, among other things, such designated institution shall effectively assume the role of Lender and Agent pursuant to the terms thereof.

The Lender may assign or transfer the Notes in whole and its rights and obligations hereunder to another financial institution that is an accredited investor within the meaning of Regulation D promulgated under the Securities Act of 1933.

Section 11.07 Patriot Act Notice. Each Lender hereby notifies the Issuer that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (the "*Patriot Act*"), each Lender may be required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Lender to identify the Issuer in accordance with the Patriot Act.

Section 11.08 Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Lender, the determination of such satisfaction shall be made by the Lender in its reasonable judgment exercised in good faith.

Section 11.09 Applicable Law; Venue. This Agreement and the Notes shall be construed pursuant to and governed by the Act and the substantive laws of the State. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to this Agreement or the Notes, the Issuer consents to the jurisdiction and venue of any State court located in Monroe County, Florida and the United States District Court for the Southern District of Florida.

Section 11.10 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

Section 11.11 Severability. Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction and the remaining portion of such provision and all other remaining provisions will be construed to render them enforceable to the fullest extent.

Section 11.12 Business Days. If any payment under this Agreement shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day and such extension of time shall in such case be included in computing interest, if any, in connection with such payment.

Section 11.13 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 11.14 Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Lender, the determination of such satisfaction shall be made by such Lender in the reasonable judgment of such entity or entities exercised in good faith.

Section 11.15 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the Issuer in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Notes are outstanding or any amounts are due and owing hereunder or under the Notes to the Lender.

Section 11.16 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 11.17 No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other documents related hereto), the Issuer 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 is not acting as a municipal advisor or financial advisor to the Issuer and (iv) the Lender does not have a fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the Issuer 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 Issuer on other matters); (b) (i) the Lender is and has been acting solely as a principal in an arm's length commercial lending transaction and has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Issuer, or any other person and (ii) the Lender does not have any obligation to the Issuer, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Note Documents; (c) notwithstanding anything herein to the contrary, it is the intention of the Issuer and the Lender that the loan documents represent a commercial loan transaction not involving the issuance and sale of a municipal security, and that any bond, note or other debt instrument that may be delivered to the Lender is delivered solely to evidence the repayment obligations of the Issuer under the Note Documents; and (d) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and the Lender has no obligation to disclose any of such interests to the Issuer. To the fullest extent permitted by law, the Issuer hereby waives and releases any claims that it may have against each 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 Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to the Issuer, the Issuer is free to engage a municipal advisor to serve in that capacity. The transactions contemplated herein and the Notes 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 11.18 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Notes embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 11.19 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTES AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

Section 11.20 Anti-Human Trafficking. Each Lender will provide an affidavit in accordance with Section 787.06, Florida Statutes.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement, signing by and through their respective duly authorized representatives.

(SEAL)

CITY OF MARATHON, FLORIDA

By: _____

ATTEST:

By: _____
City Clerk

Approved as to form by
Steven Williams, Esq.
City Attorney

By: _____

[Signature Page to Revolving Credit Agreement]

TRUIST BANK, as Bank

By: _____

Name: Linda Neverson

Title: Senior Vice President

TRUIST COMMERCIAL EQUITY, INC.

By: _____

Name: Linda Neverson

Title: Authorized Agent

TRUIST BANK, as Agent

By: _____

Name: Linda Neverson

Title: Senior Vice President

[Signature Page to Revolving Credit Agreement]

EXHIBIT "A-1"

FORM OF SERIES 2025A NOTE

THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933.

**UP TO
\$10,000,000
CITY OF MARATHON, FLORIDA
REVOLVING LINE OF CREDIT NOTE, SERIES 2025A**

CITY OF MARATHON, FLORIDA (the "Issuer"), for value received, promises to pay, but solely from the sources described below to the extent provided herein and in the hereinafter described Agreement, to the order of Truist Commercial Equity, Inc., a Delaware corporation or its registered assigns (together with any other registered owner of this Note, hereinafter, the "Lender"), at its Principal Office or any other office or at such place as the Lender may in writing designate, on the Commitment Termination Date, as defined in the Revolving Credit Agreement, among the Issuer and the Lender and Truist Bank as Agent dated _____, 2025 (as such agreement may be amended, supplemented or otherwise modified from time to time, collectively the "Agreement"), and subject to Section 5.05 of the Agreement, the lesser of the principal sum of \$10,000,000 and the aggregate unpaid principal amount of all revolving loans made by the Lender to the Issuer pursuant to the Agreement and represented by this Note (and excluding all Advances under its Taxable Revolving Line of Credit Note, Series 2025B (the "Series 2025B Taxable Note")) and not theretofore repaid, and any modifications, renewals, extensions or replacements thereof, without offset in lawful money of the United States of America in immediately available funds, and to pay interest from the date hereof on the principal amount thereof from time to time outstanding, in like funds, at said office, at the rate or rates per annum and payable on such dates as provided in the Agreement. In the event of a conflict between any term or condition contained in this Note and in the Agreement, such term or condition of the Agreement shall control.

All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed). This Note is issued pursuant to Resolution No. _____ adopted by the Governing Body on _____, 2025 (the "Note Resolution"), and in conjunction with the Agreement is subject to all the terms and conditions of the Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or as referenced, in the Agreement.

This Note is payable solely from the Pledged Revenues to the extent provided in the Agreement and subject to the pledge of the Pledged Revenues as more specifically provided in the Note Resolution and the Agreement. To the extent that the Pledged Revenues on deposit in the Debt Service Fund are insufficient for payment of the Note, the Issuer covenants to budget and appropriate Non-Ad Valorem Revenues for the payment of the Note in accordance with Section 7.02 of the Agreement. Notwithstanding any other provision of this Note, the Issuer is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Agreement and the Note Resolution. The lien on and pledge of the Pledged Revenues, provided for the benefit of the Lender shall be on a parity in all respects to the Series 2025B Taxable Note issued under the Note Resolution as to the lien on and pledge of Pledged Revenues, in favor of any Additional Debt.

NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE IN THIS NOTE OR THE AGREEMENT TO THE CONTRARY, NEITHER THIS NOTE NOR THE AGREEMENT SHALL CREATE, BE OR CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE ISSUER OR A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUER, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE PAYMENT OF ANY OBLIGATIONS HEREUNDER OR UNDER THE AGREEMENT OR TO MAKE ANY APPROPRIATION THEREFROM FOR ANY SUCH PAYMENTS. THE OBLIGATIONS OF THE ISSUER HEREUNDER SHALL NOT BE PAYABLE FROM OR CONSTITUTE A LIEN OR CHARGE ON ANY FUNDS OF THE ISSUER OTHER THAN THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE AGREEMENT.

The Issuer promises to pay interest, on demand, on any overdue principal from their due dates at a rate or rates provided in the Agreement.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and the date thereof shall be endorsed by the Lender on the schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by the Lender in its internal records; provided, that the failure of the Lender to make such a notation or any error in such notation shall not affect the obligations of the Issuer to make the payments of principal and interest in accordance with the terms of this Note and the Agreement.

This Note is issued in connection with, and is entitled to the benefits of, the Agreement which, among other things, contains provisions for prepayment of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain provisions of the Agreement, all upon the terms and conditions therein specified. THIS NOTE SHALL BE CONSTRUED IN

ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF FLORIDA AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

Prior to the Final Maturity Date, principal amounts repaid hereunder may be re-advanced so long as the total principal amount of this Note outstanding, together with the outstanding principal amount of the Series 2025B Taxable Note, taking into account all combined Advances which have not been repaid, does not exceed the Maximum Commitment Amount.

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

All terms, conditions and provisions of the Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Agreement.

THE ISSUER AND THE LENDER 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 NOTE AND ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS NOTE, 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 LENDER TO ENTER INTO OR ACCEPT THIS NOTE. FURTHER, THE ISSUER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE LENDER, NOR THE LENDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

The Lender hereby notifies the Issuer that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001), the Lender may be required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Lender to identify the Issuer in accordance with the Act. All amounts received by the Lender shall be applied to expenses, late fees and interest before principal or in any other order as determined by the Lender, in its sole discretion, as permitted by law. Any provision of this Note which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Note. No amendment, modification, termination or waiver of any provision of this Note, nor consent to any departure by the Issuer from any term of this Note, shall in any event be effective unless it complies fully with the requirements of such amendment, modification, termination or waiver as set forth in the Agreement, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

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

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is [____], 2025.

CITY OF MARATHON, FLORIDA

(SEAL)

By: _____
Name: _____
Title: _____

Attested and Countersigned

By: _____
Name: _____
Title: _____

EXHIBIT "A-2"

FORM OF SERIES 2025B NOTE

THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933.

**UP TO
\$10,000,000
CITY OF MARATHON, FLORIDA
REVOLVING LINE OF CREDIT NOTE, SERIES 2025**

CITY OF MARATHON, FLORIDA (the "Issuer"), for value received, promises to pay, but solely from the sources described below to the extent provided herein and in the hereinafter described Agreement, to the order of Truist Commercial Equity, Inc., a Delaware corporation or its registered assigns (together with any other registered owner of this Note, hereinafter, the "Lender"), at its Principal Office or any other office or at such place as the Lender may in writing designate, on the Commitment Termination Date, as defined in the Revolving Credit Agreement, among the Issuer and the Lender and Truist Bank as Agent dated _____, 2025 (as such agreement may be amended, supplemented or otherwise modified from time to time, collectively the "Agreement"), and subject to Section 5.05 of the Agreement, the lesser of the principal sum of \$10,000,000 and the aggregate unpaid principal amount of all revolving loans made by the Lender to the Issuer pursuant to the Agreement and represented by this Note (and excluding all Advances under its Revolving Line of Credit Note, Series 2025A (the "Series 2025A Tax-Exempt Note")) and not theretofore repaid, and any modifications, renewals, extensions or replacements thereof, without offset in lawful money of the United States of America in immediately available funds, and to pay interest from the date hereof on the principal amount thereof from time to time outstanding, in like funds, at said office, at the rate or rates per annum and payable on such dates as provided in the Agreement. In the event of a conflict between any term or condition contained in this Note and in the Agreement, such term or condition of the Agreement shall control.

All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed). This Note is issued pursuant to Resolution No. _____ adopted by the Governing Body on _____, 2025 (the "Note Resolution"), and in conjunction with the Agreement is subject to all the terms and conditions of the Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or as referenced, in the Agreement.

This Note is payable solely from the Pledged Revenues to the extent provided in the Agreement and subject to the pledge of the Pledged Revenues as more specifically provided in the Note Resolution and the Agreement. To the extent that the Pledged Revenues on deposit in the Debt Service Fund are insufficient for payment of the Note, the Issuer covenants to budget and appropriate Non-Ad Valorem Revenues for the payment of the Note in accordance with Section 7.02 of the Agreement. Notwithstanding any other provision of this Note, the Issuer is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Agreement and the Note Resolution. The lien on and pledge of the Pledged Revenues, provided for the benefit of the Lender shall be on a parity in all respects to the Series 2025A Taxable Note issued under the Note Resolution as to the lien on and pledge of Pledged Revenues, in favor of any Additional Debt.

NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE IN THIS NOTE OR THE AGREEMENT TO THE CONTRARY, NEITHER THIS NOTE NOR THE AGREEMENT SHALL CREATE, BE OR CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE ISSUER OR A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUER, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE PAYMENT OF ANY OBLIGATIONS HEREUNDER OR UNDER THE AGREEMENT OR TO MAKE ANY APPROPRIATION THEREFROM FOR ANY SUCH PAYMENTS. THE OBLIGATIONS OF THE ISSUER HEREUNDER SHALL NOT BE PAYABLE FROM OR CONSTITUTE A LIEN OR CHARGE ON ANY FUNDS OF THE ISSUER OTHER THAN THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE AGREEMENT.

The Issuer promises to pay interest, on demand, on any overdue principal from their due dates at a rate or rates provided in the Agreement.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and the date thereof shall be endorsed by the Lender on the schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by the Lender in its internal records; provided, that the failure of the Lender to make such a notation or any error in such notation shall not affect the obligations of the Issuer to make the payments of principal and interest in accordance with the terms of this Note and the Agreement.

This Note is issued in connection with, and is entitled to the benefits of, the Agreement which, among other things, contains provisions for prepayment of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain provisions of the Agreement, all upon the terms and conditions therein specified. THIS NOTE SHALL BE CONSTRUED IN

ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF FLORIDA AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

Prior to the Final Maturity Date, principal amounts repaid hereunder may be re-advanced so long as the total principal amount of this Note outstanding, together with the outstanding principal amount of the Series 2025A Tax-Exempt Note, taking into account all combined Advances which have not been repaid, does not exceed the Maximum Commitment Amount.

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

All terms, conditions and provisions of the Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Agreement.

THE ISSUER AND THE LENDER 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 NOTE AND ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS NOTE, 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 LENDER TO ENTER INTO OR ACCEPT THIS NOTE. FURTHER, THE ISSUER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE LENDER, NOR THE LENDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

The Lender hereby notifies the Issuer that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001), the Lender may be required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Lender to identify the Issuer in accordance with the Act. All amounts received by the Lender shall be applied to expenses, late fees and interest before principal or in any other order as determined by the Lender, in its sole discretion, as permitted by law. Any provision of this Note which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Note. No amendment, modification, termination or waiver of any provision of this Note, nor consent to any departure by the Issuer from any term of this Note, shall in any event be effective unless it complies fully with the requirements of such amendment, modification, termination or waiver as set forth in the Agreement, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

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

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is [____], 2025.

CITY OF MARATHON, FLORIDA

(SEAL)

By:_____
Name:_____
Title:_____

Attested and Countersigned

By:_____
Name:_____
Title:_____

EXHIBIT "B-1"

NOTICE OF REVOLVING BORROWING UNDER

SERIES 2025A TAX-EXEMPT NOTE

Pursuant to the Revolving Credit Agreement dated as of [____], 2025, as amended, supplemented, restated, replaced, or otherwise modified from time to time (the "Agreement"; capitalized terms used but not defined herein shall have the meanings assigned in the Agreement); this represents the undersigned's request for an Advance under the Agreement as follows:

Proposed Date of Advance: _____

\$_____ Aggregate Amount of Advance to be Drawn Down under the Series 2025A Tax-Exempt Note.

The proceeds of the Advance are to be wired to the following account:

The proceeds of the Advance are to be used for the following project or group of projects:

This Notice is given in order to induce TRUCE to make the Advance. We understand that TRUCE is relying on the truth and accuracy of the statements made in this Notice.

1. All of the representations and warranties of the undersigned contained in the Agreement or in any of the other Note Documents are true, correct, and complete on and as of the date of this Notice of Revolving Borrowing, with the same effect as though the representations and warranties had been made on and as of such date.

2. The undersigned is in compliance with all terms and conditions of the Agreement and no Event of Default, nor any event which, upon notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing, or would result from the borrowing.

3. After giving effect to the Advance hereby requested and any other Advances requested on the date hereof under the Series 2025B Taxable Note, the aggregate amount of Advances requested and outstanding under the Agreement will not exceed the Maximum Commitment Amount as of the proposed date of the Advance hereby requested.

4. To the undersigned's knowledge, it has no setoffs or defenses under the Agreement or Note. The Agreement, the Note, and all other Note Documents are valid, binding, and enforceable in accordance with their terms.

5. The facts, estimates, circumstances and representations set forth or made as the case may be) in the Certificate as to Tax, Arbitrage and Other Matters as to the Series 2025A Tax-Exempt Note delivered in connection with the initial issuance of the Series 2025A Tax-Exempt Note, as supplemented by any amendatory certificate delivered to Bond Counsel on the date hereof, continue to exist and are hereby reaffirmed on the date hereof.

6. The Issuer has approved the transaction with respect to which these instructions are given in accordance with the procedure set forth in the Agreement.

7. The undersigned represents that the Issuer will file or previously has filed with the Secretary of the Treasury, the information report required by Section 149(e) of the Code with respect to the Series 2025A Tax-Exempt Note:

(a) by the fifteenth day of the second calendar month after the close of the calendar quarter in which the Series 2025A Tax-Exempt Note was originally issued, and

(b) at such additional times required by the Code within such time period prescribed by the Code.

8. The Issuer has notified Bond Counsel of the proposed Advance requested above.

9. The Issuer has previously delivered to the Lender, addressed to the Lender and upon which opinion the Lender may rely, an opinion of an attorney to the Issuer and/or Bond Counsel as to those matters required under Sections 6.01(f) and (h) of the Agreement and the Issuer confirms that it has not received notification from the Issuer's Counsel and/or Bond Counsel of a withdrawal of such opinion (unless a replacement opinion has been obtained).

10. The Issuer has delivered to TRUCE, addressed to TRUCE and upon which opinion the Lender may rely, the opinion of Bond Counsel required pursuant to Section 6.02(c)(i) of the Agreement.

11. All other conditions precedent to the Advance as set forth in the Agreement have been satisfied.

The Issuer has approved the transaction with respect to which these instructions are given in accordance with the procedure set forth in the Agreement.

Dated: _____

CITY OF MARATHON, FLORIDA

By: _____

Name: _____

Title: _____

EXHIBIT "B-2"

NOTICE OF REVOLVING BORROWING UNDER

SERIES 2025B TAXABLE NOTE

Pursuant to the Revolving Credit Agreement dated as of [____], 2025, as amended, supplemented, restated, replaced, or otherwise modified from time to time (the "Agreement"; capitalized terms used but not defined herein shall have the meanings assigned in the Agreement); this represents the undersigned's request for an Advance under the Agreement as follows:

Proposed Date of Advance: _____

\$_____ Aggregate Amount of Advance to be Drawn Down under the Series 2025B Taxable Note.

The proceeds of the Advance are to be wired to the following account:

The proceeds of the Advance are to be used for the following project or group of projects:

This Notice is given in order to induce Truist Bank to make the Advance. We understand that Truist Bank is relying on the truth and accuracy of the statements made in this Notice.

1. All of the representations and warranties of the undersigned contained in the Agreement or in any of the other Note Documents are true, correct, and complete on and as of the date of this Notice of Revolving Borrowing, with the same effect as though the representations and warranties had been made on and as of such date.

2. The undersigned is in compliance with all terms and conditions of the Agreement and no Event of Default, nor any event which, upon notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing, or would result from the borrowing.

3. After giving effect to the Advance hereby requested and any other Advances requested on the date hereof under the Series 2025A Tax-Exempt Note, the aggregate amount of Advances requested and outstanding under the Agreement will not exceed the Maximum Commitment Amount as of the proposed date of the Advance hereby requested.

4. To the undersigned's knowledge, it has no setoffs or defenses under the Agreement or Note. The Agreement, the Note, and all other Note Documents are valid, binding, and enforceable in accordance with their terms.

5. The Issuer has approved the transaction with respect to which these instructions are given in accordance with the procedure set forth in the Agreement.

6. All other conditions precedent to the Advance as set forth in the Agreement have been satisfied.

Dated: _____

CITY OF MARATHON, FLORIDA

By: _____

Name: _____

Title: _____

April 1, 2025

Jennifer Johnson
Finance Director
City of Marathon, FL
jjohnson@keyscpa.com

Re: Proposal response to City of Marathon, FL ("Borrower") in response to a *Request for Proposal for a Revolving Line of Credit*.

Dear Jennifer:

Truist is pleased to respond to the City of Marathon, FL's *Request for Proposal for a Revolving Line of Credit* with the attached summary of terms and conditions. We believe we have provided a proposal that focuses on those items of greatest importance to the City.

We believe our proposal offers:

- Competitive fixed pricing.
- A comprehensive solution that supports future financing needs.
- Speed of execution.

As a dedicated Relationship Manager with Truist, I bring experience working with various government entities. Additionally, Truist's specialized Government Banking team provides tailored cash management, treasury management and escrow services for governmental entities.

As you review the materials, please keep in mind a few benefits of banking with Truist:

- Truist's has extensive experience working with government entities, including structuring both taxable and tax-exempt financing solutions.
- Truist offers clients a diverse range of financial services to ensure flexibility. These services include bank and bond financing, funding for infrastructure needs, vehicle and equipment leasing, financial risk management and working capital solutions.
- Financial strength. Truist is a well-capitalized institution that is ethically managed and generates strong operating results. Below are the current short-term and long-term ratings of Truist, including outlooks.

Truist Financial Corporation

Rating	S&P	Moody's	Fitch	DBRS Morningstar
Outlook / credit trend	Stable	Stable	Stable	Stable
Issuer	A- / A-2	Baa1	A / F1	AAL / R-1M
Senior unsecured	A-	Baa1	A-	AAL
Subordinated	BBB+	Baa1	BBB+	AH
Preferred stock	BBB-	Baa3(hyb)	BBB-	AL

Truist Bank

Rating	S&P	Moody's	Fitch	DBRS Morningstar
Outlook / credit trend	Stable	Stable	Stable	Stable
Issuer	A / A-1	A3	A / F1	AA / R-1H
Senior unsecured	A	A3	A	AA
Deposits	No rating	A1 / P1	A+ / F1+	AA
Subordinated	A-	(P) A3	A-	AAL



Linda M. Neverson
Senior Vice President
Government Banking

515 East Las Olas Blvd, 7th Floor
Ft. Lauderdale, Florida 33301
Office: 954.233.9727
Mobile: 917.532.5100
Linda.Neverson@truist.com

On behalf of Truist Bank, I thank you for giving us the opportunity to build our relationship with the City of Marathon, FL. We believe the attached expresses our deep desire to maintain a valued banking partnership. Please do not hesitate to reach out to me if you any questions regarding our proposal or if any of the terms and conditions do not fully meet City's requirements.

Sincerely,

Linda Neverson



City of Marathon, Florida

Term Sheet

April 1, 2025

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 Marathon, Florida
Lender:	Truist Commercial Equity, Inc. (tax-exempt) and Truist Bank (taxable).
Facility/Purpose/ Description:	Revolving Line of Credit with both tax-exempt and taxable draws available (the “Loan”). The purpose is to provide liquidity that will enable the City to begin construction on utility projects, including, but not limited to, design and construction of a deep injection well, pumping stations and transmission piping to connect and convert the City’s shallow well system to a deep injection well system, as well as reimbursement to the City for any related costs previously incurred.
Amount:	Up to \$10,000,000.
Funding:	The Loan shall be a revolving line of credit that may be drawn on or paid down on a revolving basis, with draws limited to no more than one (1) per month and for an amount of no less than \$100,000.
Repayment:	Interest shall be due and payable monthly. All principal and unpaid interest shall be due at maturity. No prepayment penalty shall apply.
Fees:	Annual Unused Fee of 0.13% payable quarterly in arrears. If average line usage is greater than 60% during the quarter prior to the fee payment, the unused fee will be waived.
Renewal/Extension	The Bank requires 90 days’ notice to process any renewals or extensions. The Borrower may request the Bank in writing to extend the then current scheduled expiration date by at least one year. If the Borrower shall make such a request, the Bank shall within 30 days of such request, notify the Borrower in writing whether or not the Bank will extend the Scheduled Expiration Date. If the Bank shall not so notify the Borrower, the Bank shall be deemed to have not consented to such request.

Interest Rate:	VARIABLE RATE –		
	Maturity Date	Tax-Exempt/Taxable	Interest Rate
	24 months	Tax-Exempt	SIFMA + 0.35%.
	24 months	Tax-Exempt	79% of One-Month Term SOFR + 0.40%.
	24 months	Taxable	One-Month Term SOFR + 0.49%.
	<p>Accrual basis: Act/360.</p> <p>The tax-exempt 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 or SIFMA ever be less than 0.00%.</p>		
Security:	The Loan will be secured a basket of revenues including the City's covenant to budget and appropriate non-ad valorem revenues, net revenues of the utility system, the City's local government infrastructure tax revenues, and wastewater and stormwater non-ad valorem assessments (Pledged Revenues).		
Documentation:	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.		
Covenants:	<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"> • Additional Debt Test as outlined in the RFP (will need a written definition). • Annual Financial Statements within 270 days of fiscal year end. • Annual budget within 30 days of adoption. <p>The default rate shall be Prime + 4%. If acceleration is not a remedy the restated default rate shall be increased to the lesser of 18% or the maximum allowed rate by law, and the documents shall contain a covenant assuring Lender that if other bondholders have acceleration rights Lender will have the same acceleration rights. No advances permitted while there shall be an Event of Default or an event that with the passage of time or giving of notice or both would be an Event of Default.</p>		
Conditions Precedent and Other Terms:	<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 Bank, 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.
Lender's Legal Counsel	<p>The Lender's legal counsel will be Michael Wiener at Holland & Knight in Lakeland, Florida.</p> <p>Estimated fees for the closing of the Loan(s) will be \$16,500 and shall be paid by the Borrower, whether or not the Loan described herein is closed.</p>
Governing Law & Jurisdiction:	State of Florida.
Municipal Advisor Disclosure:	<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>
Patriot Act:	<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>
Expiration Date:	<p>This Term Sheet shall expire on May 24, 2025 unless a formal commitment letter has been issued prior to such date.</p>

2025 Line of Credit Proposal Template

Bank Contact Information	Truist Bank
Amount	\$10,000,000
Draw Period Length (Request minimum 24 months)	24 month with the option to extend
<u>Tax-Exempt</u> / <u>Taxable</u> Drawn Interest Rate (Detail Index + Spread)	* SIFMA+.35% (TE); * 79% of 1 Mnth Term SOFR+0.40% (TE); and 1 Mnth Term SOFR+0.49% (Taxable)
Unused/Unutilized Fee (if any)	Annual Unused Fee of 0.13%. If average line usage is greater than 60% during the quarter prior to the fee payment, the unused fee will be waived.
Prepayment Provisions	No prepayment penalty shall apply
NTE Fees & Expenses including Bank Counsel Fee	Estimated fees for the closing of the Loan(s) will be \$16,500
Bank Counsel Contact	Michael Wiener at Holland & Knight; michael.wiener@hklaw.com
Additional Information	Linda Neverson at Truist Bank; linda.neverson@truist.com

The Bank acknowledges that the City reserves the right to reject any and all proposals received in connection with the RFP. The award of the RFP does not obligate the City to close on the LOC.

Respectfully submitted, Truist Bank

By: Linda Neverson
Authorized Officer

Linda Neverson

Date: April 1, 2025

Address: 515 E. Las Olas Blvd, 7th Floor, Ft.
Lauderdale, FL 33301

Tel.No. 917-532-5100

Fax No. _____

Email Linda.Neverson@truist.com

ACCEPTED this 1st day of April,
2025

CITY OF MARATHON

By: _____
Authorized Officer