

RESOLUTION R-2020-02

A RESOLUTION OF THE TOWN OF LAKE HAMILTON, FLORIDA, AMENDING AND RESTATING RESOLUTION NO. 2018-14 ADOPTED ON NOVEMBER 6, 2018; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$1,550,000 TOWN OF LAKE HAMILTON, FLORIDA CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2020, TO FINANCE IMPROVEMENTS TO TOWN HALL AND TO PAY ASSOCIATED COSTS OF ISSUANCE; PROVIDING A COVENANT TO BUDGET, APPROPRIATE AND DEPOSIT LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE ISSUER AS SECURITY FOR SUCH BOND TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BOND; AUTHORIZING THE NEGOTIATED SALE OF THE BOND TO CENTERSTATE BANK, N.A.; DESIGNATING THE BOND AS BANK QUALIFIED FOR PURPOSES OF SECTION 265 OF THE INTERNAL REVENUE CODE OF 1986; PROVIDING FOR THE RIGHTS OF HOLDERS OF SUCH BOND; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKE HAMILTON, FLORIDA, that:

SECTION 1. *Definitions.* Unless the context otherwise requires, terms used in this Resolution shall have the meanings specified in this section.

"Act" means the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Owner is lawfully closed.

"Clerk" shall mean the Town Clerk or assistant or deputy Town Clerk of the Issuer, or such other person as may be duly authorized by the Town Council to act on his or her behalf.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

"Debt Service Fund" means the Debt Service Fund created pursuant to Section 9 hereof.

"Default Rate" means a rate equal to the then applicable interest rate plus 3.00% per annum.

"Fiscal Year" means October 1 through September 30 of each year.

"Issuer" means the Town of Lake Hamilton, Florida, a municipal corporation of the State of Florida.

"Mayor" means the Mayor of the Issuer, or in his or her absence or inability to act, the Vice Mayor of the Issuer or such other person as may be duly authorized by the Town Council to act on his or her behalf.

"Non-Ad Valorem Revenues" means all revenues of the Issuer not derived from ad valorem taxation, and which are lawfully available to pay debt service on the Series 2020 Bond.

"Original Purchaser" means CenterState Bank, N.A. a national banking association, and its successors and assigns.

"Owner" means the Original Purchaser or other Permitted Lender in whose name the Series 2020 Bond shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of this Resolution.

"Paying Agent" and/or "Registrar" as it relates to the Series 2020 Bond shall mean the Town Administrator.

"Permitted Lender" means any affiliate of the Original Purchaser or any bank, trust company, savings institution, insurance company or qualified institutional buyer under Rule 144A promulgated under the Securities Act of 1933 that is engaged as a regular part of its business in purchasing Bonds of obligations similar to the Series 2020 Bond.

"Principal Office" means with respect to the Original Purchaser, the office located at 300 West Central Avenue, Lake Hamilton, FL 33853, or such other office as the Original Purchaser may designate to the Issuer in writing.

"Project" means the construction, renovation, improvement and/or equipping of all or a portion of certain improvements to the Issuer's Town Hall complex.

"Resolution" means this Resolution, pursuant to which the Series 2020 Bond is authorized to be issued, including any supplemental resolutions.

"Series 2020 Bond" means the not to exceed \$1,550,000 Town of Lake Hamilton, Florida Capital Improvement Revenue Bond, Series 2020 authorized herein.

"State" means the State of Florida.

"Town Administrator" shall mean the Town Administrator of the Issuer or his or her designee.

"Town Attorney" shall mean the Town Attorney of the Issuer.

"Town Council" shall mean the Town Council of the Town of Lake Hamilton, Florida.

SECTION 2. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 3. Findings. It is hereby ascertained, determined and declared that:

(A) On November 6, 2018, the Issuer previously adopted Resolution No. 2018-14 (the "Original Resolution") authorizing its not to exceed \$1,050,000 Capital Improvement Revenue Bond, Series 2019 to fund the Project.

(B) Due to the costs of construction of the Project, the Issuer need an additional \$500,000 to complete the Project and has requested the Original Purchaser to fund in the amount of \$1,550,000.

(C) The Original Purchaser has agreed to increase its principal loan amount and the Issuer now desires to amend and restate the Original Resolution to authorize the increased amount.

(D) For the benefit of its inhabitants, the Issuer finds, determines and declares that it is necessary for the continued preservation of the health, welfare, convenience and safety of the Issuer and its inhabitants to acquire and construct, or reimburse the Issuer for funds expended to acquire and construct the Project. The issuance of the Series 2020 Bond to finance the Project satisfies a public purpose.

(E) The principal of and interest and redemption premium on the Series 2020 Bond and all other payments shall be payable solely from the Non-Ad Valorem Revenues. The Issuer shall never be required to levy ad valorem taxes on any real or personal property therein to: (1) pay the principal of and interest on the Series 2020 Bond herein authorized; or (2) make any other payments provided for herein. The Series 2020 Bond shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer or upon any property other than a lien on the Non-Ad Valorem Revenues, as provided herein.

(E) The costs associated with the issuance of the Series 2020 Bond shall be deemed to include legal fees and expenses, expenses for estimates of costs and of revenues, accounting

expenses, attorney fees of the Original Purchaser, and such other fees and expenses as may be necessary or incidental for the financing herein authorized.

(F) The Issuer desires to designate the Series 2020 Bond as bank qualified for purposes of Section 265(b) of the Code. The Issuer and any subordinate entities of the Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during the calendar year 2020 to issue more than \$10,000,000 of "tax-exempt" obligations including the Series 2020 Bond, exclusive of any private activity bonds as defined in Section 141(a) of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code).

(G) The Issuer has received an offer from the Original Purchaser to purchase the Series 2020 Bond pursuant to a loan commitment dated January 8, 2020 (the "Loan Commitment").

(H) Because of the characteristics of the Series 2020 Bond and prevailing market conditions, it is in the best interest of the Issuer to accept the offer of the Original Purchaser to purchase the Series 2020 Bond at a private negotiated sale in accordance with the terms set forth herein. Prior to the issuance of the Series 2020 Bond, the Issuer shall receive from the Original Purchaser a Purchaser's Certificate, the form which is attached hereto as Exhibit A and a Disclosure Letter containing the information required by Section 218.385, Florida Statutes, the form of which is attached hereto as Exhibit B.

(I) In consideration of the purchase and acceptance of the Series 2020 Bond authorized to be issued hereunder by the Owner thereof from time to time, this Resolution shall constitute a contract between the Issuer and the Owner.

SECTION 4. Authorization of Project. There is hereby authorized the acquisition, construction and/or equipping of the Project.

SECTION 5. Authorization of the Series 2020 Bond. Subject and pursuant to the provisions hereof, an obligation of the Issuer to be known as the "Town of Lake Hamilton, Florida Capital Improvement Revenue Bond, Series 2020" in the not to exceed principal amount of \$1,550,000 is authorized to be issued for the purpose of financing the Project or reimbursing the Issuer for funds expended for the Project and to pay costs of issuance of the Series 2020 Bond.

Proceeds from the sale of the Series 2020 Bond may be drawn down by the Issuer as needed on or before June 30, 2020 with a minimum initial draw of \$50,000 on the Closing Date. In no event shall the total principal amount drawn exceed \$1,550,000. The Issuer shall make draw requests in writing to the Original Purchaser stating the amount (which shall be a minimum of \$50,000) and use of the funds requested and each draw request made by the Issuer shall constitute an affirmation that the Issuer is not then in default hereunder or under the Series 2020 Bond. Each amount drawn shall be funded by the Original Purchaser within two

Business Days of the written request into a checking account of the Issuer for which account information has been provided by the Issuer in such draw request.

SECTION 6. *Description of the Series 2020 Bond.* The Series 2020 Bond shall be issued in a single denomination equal to the principal amount thereof and shall be dated the date of its execution and delivery, which shall be a date agreed upon by the Issuer and the Original Purchaser. The Series 2020 Bond is to be in substantially the form set forth in Exhibit C hereto, together with such changes as shall be approved by the Mayor, such approval to be conclusively evidenced by the execution thereof by the Mayor.

The Series 2020 Bond shall be executed on behalf of the Issuer with the manual signature of the Mayor and shall be attested with the manual signature of the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2020 Bond shall cease to be such officer of the Issuer before the Series 2020 Bond so signed and sealed has been actually sold and delivered, such Series 2020 Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2020 Bond had not ceased to hold such office. The Series 2020 Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of the Series 2020 Bond shall hold the proper office of the Issuer, although, at the date of the Series 2020 Bond, such person may not have held such office or may not have been so authorized.

SECTION 7. *Registration and Exchange of the Series 2020 Bond.* The Series 2020 Bond will initially be registered to the Original Purchaser. So long as the Series 2020 Bond shall remain unpaid, the Registrar will keep books for the registration and transfer of the Series 2020 Bond. The Series 2020 Bond shall be transferable only upon such registration books. Registration of ownership of the Series 2020 Bond may only be transferred in whole and only to a Permitted Lender.

The person in whose name a Series 2020 Bond shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of principal and interest on such Series 2020 Bond shall be made only to or upon the written order of the Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2020 Bond to the extent of the sum or sums so paid.

SECTION 8. *Terms of the Series 2020 Bond.*

(A) The Series 2020 Bond shall bear interest from its date at an annual rate of 3.75% on the amount of principal outstanding, with the first payment on June 30, 2020 and thereafter payable semi-annually each year on November 1 and May 1, commencing on November 1, 2020, calculated on the basis of twelve 30-day months and a 360-day year.

(B) Payments of principal on the Series 2020 Bond shall be payable on November 1 and May 1, commencing on November 1, 2020, in amounts provided on an amortization schedule agreed to by the Issuer and the Original Purchaser.

(C) The Series 2020 Bond may be prepaid in whole or in part on any date upon ten (10) days' prior written notice to the Owner at a prepayment price of 100% of the principal amount being prepaid without any prepayment penalty or fee plus accrued interest to the date of prepayment. Any prepayments in part shall be applied to the outstanding principal in inverse order of maturity. Any prepayments in part must be in a minimum principal amount of \$50,000 and the Issuer shall not make more than two (2) partial prepayment per calendar year.

(D) All payments by the Issuer pursuant to the Series 2020 Bond shall apply first to accrued interest and the balance thereof shall apply to principal.

SECTION 9. *Payment of Principal and Interest; Limited Obligation.* The Issuer promises that it will promptly pay the principal of and interest on the Series 2020 Bond at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Series 2020 Bond shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable in the manner and to the extent provided in this Resolution and the Series 2020 Bond. No Owner of the Series 2020 Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2020 Bond, or be entitled to payment of such Series 2020 Bond from any funds of the Issuer except from a covenant to budget and appropriate Non-Ad Valorem Revenues as described in Section 10 hereof.

The Issuer does hereby create and establish the Town of Lake Hamilton, Florida, Capital Improvement Revenue Bond, Series 2020, Debt Service Fund (the "Debt Service Fund"). The Non-Ad Valorem Revenues shall be deposited by the Issuer in the Debt Service Fund in amounts necessary to provide for the payment of the Series 2020 Bond as provided herein. The monies in the Debt Service Fund shall be used solely for the payment of the principal of and interest on the Series 2020 Bond as the same shall become due and payable and the registered owners of said Series 2020 Bond shall have a first lien on all such monies in the Debt Service Fund until paid and applied in the manner permitted in this Resolution.

SECTION 10. *Covenant to Budget and Appropriate.* 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, as necessary, amounts sufficient to pay principal of and interest on the Series 2020 Bond and all other payments due under this Resolution not being paid from other amounts as the same shall become due. 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 in 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 Owner of the Series 2020 Bond a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget, appropriate and deposit 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 the Resolution 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 Series 2020 Bond 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. Notwithstanding any provisions of the Resolution or the Series 2020 Bond to the contrary, the Issuer shall never be obligated to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any 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 Resolution 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 and is further subject to the provisions of Section 166.241, Florida Statutes (which makes it unlawful for any city to expend monies not appropriated and in excess of the city's current budgeted revenues), insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after satisfaction of the funding requirements for obligations having an express lien or pledge of such revenues and the funding requirements for essential governmental services of the Issuer.

Notwithstanding anything herein, Non-Ad Valorem Revenues deposited into the Debt Service Fund pursuant to this Section 10 may only be used to pay the principal of and interest on the Series 2020 Bond and all other payments due under this Resolution.

SECTION 11. *Financial Reporting.* The Issuer shall provide the Owner of the Series 2020 Bond with audited annual financial statements, prepared by an independent certified public accountant, within 270 days of the close of each Fiscal Year, commencing with the Fiscal Year ended September 30, 2019. Additionally, the Issuer shall provide the Owner of the Series 2020 Bond with a copy of its annual budget, as adopted or amended, within 60 days of adoption or amendment, commencing with the budget for Fiscal Year ending September 30, 2020. The Issuer shall also provide such other financial information reasonably requested by the Owner of the Series 2020 Bond which could include copies of any long-term capital improvement plans.

SECTION 12. *Anti-Dilution Test.* So long as the Series 2020 Bond is outstanding hereunder, the total amount of Non-Ad Valorem Revenues for the Fiscal Year shall be at least 1.50 times the maximum annual debt service of all debt (including all long-term financial obligations appearing on the Issuer's most recent audited financial statements and the debt proposed to be incurred) to be paid from or secured by Non-Ad Valorem Revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources. The Issuer will provide the Owner with a certificate signed by an authorized officer of the Issuer evidencing the foregoing no later than 15 days prior to the issuance of any additional debt and, for informational purposes only, within 90 days following the end of each Fiscal Year.

For purposes of calculating maximum annual debt service if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination ("Variable Rate Debt"), interest on such Variable Rate Debt shall be computed as follows:

(a) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is less than or equal to 25% of the principal amount of all Debt (including the Debt proposed to be incurred), an interest rate equal to the higher of 10% per annum or The Bond Buyer 40 Index shall be assumed; or

(b) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is more than 25% of the principal amount of all Debt (including the Debt proposed to be incurred), the maximum rate which could be borne by such Variable Rate Debt shall be assumed.

For purposes of any loan where the lender obtains the right to put the loan back to the Issuer at a specific date, the Issuer shall assume that the loan is amortized over the full term (put is not exercised) when calculating maximum annual debt service. For the purpose of calculating maximum annual debt service, the Variable Rate Debt with a bullet maturity shall be

assumed to amortize in up to 20 years on a level debt service basis.

SECTION 13. Events of Default; Remedies of Bondholder; Notice of Default. The following shall constitute Events of Default: (i) if the Issuer fails to timely pay any payment of principal of or interest on the Series 2020 Bond after ten (10) days; (ii) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Resolution or the Series 2020 Bond (other than set forth in (i) above) and fails to cure the same within thirty (30) days following written notice; or (iii) filing of a petition by or against the Issuer relating to bankruptcy, reorganization, arrangement or readjustment of debt of the Issuer or for any other relief relating to the Issuer under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the Issuer, and the continuance of any such event for 90 days undismissed or undischarged.

Upon the occurrence and during the continuation of any Event of Default, the interest shall then be calculated at the Default Rate, and the Owner of the Series 2020 Bond may, either at law or in equity, by suit, action, mandamus or other proceeding (including specific performance) in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, or by any applicable statutes to be performed by the Issuer or by any officer thereof.

The Issuer shall reimburse the Owners (and their agents) for all reasonable legal and collection costs incurred in the exercise of remedies hereunder, to collect payments due under the Series 2020 Bond or to enforce the provisions of this Resolution.

SECTION 14. Application of the Series 2020 Bond Proceeds. The proceeds from the sale of the Series 2020 Bond shall be used to pay all or a portion of the costs of, or reimburse the Issuer for the costs of, the Project and to pay associated costs of issuance (including but not limited to legal fees and expenses) in accordance with the provisions in this Section.

SECTION 15. Adjustments to Interest Rate on the Series 2020 Bond. The interest rate on the Series 2020 Bond is subject to adjustment in accordance with the adjustment provisions attached to the Series 2020 Bond as Schedule I thereto.

SECTION 16. Designation of the Series 2020 Bond. The Issuer hereby designates the Series 2020 Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The Issuer and any subordinate entities of the Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during the calendar year 2020 to issue more than \$10,000,000 of "tax-exempt" obligations including the Series 2020 Bond, exclusive of any private activity bonds as defined in Section 141(a) of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code).

SECTION 17. General Authority. The members of the Town Council of the Issuer and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution 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 Series 2020 Bond and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bryant Miller Olive P.A., as Bond Counsel or the Original Purchaser to effectuate the sale of the Series 2020 Bond to said Original Purchaser.

SECTION 18. Paying Agent and Registrar. The Town Administrator is hereby appointed as Paying Agent and Registrar with respect to the Series 2020 Bond.

SECTION 19. Tax Covenant. The Issuer covenants with the Owner of the Series 2020 Bond that the Issuer will not make any use of the proceeds of the Series 2020 Bond at any time during the term of the Series 2020 Bond which, if such use had been reasonably expected on the date the Series 2020 Bond were issued, would have caused such Series 2020 Bond to be "arbitrage bonds" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Series 2020 Bond from the gross income of the Owner thereof for purposes of federal income taxation.

SECTION 20. Series 2020 Bond Mutilated, Destroyed, Stolen or Lost. In case the Series 2020 Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost and upon the Owner furnishing the Issuer proof of ownership thereof and indemnity reasonably satisfactory to the Issuer and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. The Series 2020 Bond so surrendered shall be canceled.

SECTION 21. Impairment of Contract. The Issuer covenants with the Owner of the Series 2020 Bond that it will not, without the written consent of the Owner of the Series 2020 Bond, enact any ordinance or adopt any resolution which repeals, impairs or amends in any manner adverse to the Owner the rights granted to the Owner of the Series 2020 Bond hereunder.

SECTION 22. Waiver of Jury Trial. The Issuer knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury, with respect to any litigation or legal proceedings based on or arising out of this Resolution or the Series 2020 Bond, including any course of conduct, course of dealings, verbal or written statement or actions or omissions of any party which in any way relates to the Series 2020 Bond or this Resolution.

SECTION 23. Applicable Law and Venue. The Series 2020 Bond shall be governed by applicable federal law and the internal laws of the state of Florida. The Issuer agrees that

certain material events and occurrences relating to the Series 2020 Bond bear a reasonable relationship to the laws of Florida and the validity, terms, performance and enforcement of this Resolution and of the Series 2020 Bond shall be governed by the internal laws of Florida which are applicable to agreements which are negotiated, executed, delivered and performed solely in Florida. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to the Series 2020 Bond, the Issuer consents to the jurisdiction and venue of any court located in Polk County in the State of Florida.

SECTION 24. Personal Liability Exemption. No recourse under or upon any obligation, covenant or agreement of this Resolution or the Series 2020 Bond or for any claim based thereon, shall be had against any Town Councilman, the Mayor, the Town Administrator, the Clerk or the Town Attorney, of the Issuer, past, present or future, either directly or through the Issuer, it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the Town Councilman, the Mayor, the Town Administrator, the Clerk and the Town Attorney, of the Issuer, under or by reason of the obligations, covenants or agreements contained in this Resolution or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such Town Councilman, the Mayor, the Town Administrator, the Clerk or the Town Attorney, as such, are waived and released as a condition of, and as a consideration for, the execution of this Resolution and the issuance of the Series 2020 Bond, on the part of the Issuer.

SECTION 25. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

SECTION 26. Rules of Interpretation. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

SECTION 27. Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

SECTION 28. No Third Party Beneficiaries. Except such other persons as may be expressly described in this Resolution or in the Series 2020 Bond, nothing in this Resolution or in the Series 2020 Bond, expressed or implied, is intended or shall be construed to confer upon any person, other than the Issuer and the Owner, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, or any provision thereof, or of the Series 2020 Bond, all

provisions thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the persons who shall from time to time be the holders.

SECTION 29. *Applicable Provisions of Law.* This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 30. *Repealer.* All resolutions or parts thereof in conflict herewith are hereby repealed.

SECTION 31. *Effective Date.* This Resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED this _____ day of January, 2020.

TOWN COUNCIL OF THE TOWN OF
LAKE HAMILTON, FLORIDA

(SEAL)

ATTEST:

Mayor

Town Clerk

EXHIBIT A

FORM OF PURCHASER'S CERTIFICATE

This is to certify that CenterState Bank, N.A. (the "Purchaser") has not required the Town of Lake Hamilton, 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 not to exceed \$1,550,000 Town of Lake Hamilton, Florida Capital Improvement Revenue Bond, Series 2020 (the "Series 2020 Bond"), and no inference should be drawn that the Purchaser, in the acceptance of said Series 2020 Bond, is relying on Bryant Miller Olive P.A. ("Bond Counsel") or Jeffrey S. Dawson, Esq. ("Town Attorney") as to any such matters other than the legal opinions rendered by Bond Counsel and by the Town Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. _____ adopted by the Town Council of the Issuer on January _____, 2020 (the "Resolution").

We are aware that investment in the Series 2020 Bond involves various risks, that the Series 2020 Bond is not a general obligation of the Issuer or payable from ad valorem tax revenues, and that the payment of the Series 2020 Bond is secured solely from the sources described in the Resolution (the "Bond Security").

We have made such independent investigation of the Bond Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 2020 Bond and can bear the economic risk of our investment in the Series 2020 Bond.

We acknowledge and understand that the Issuer has determined that the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and that the Series 2020 Bond is not required to be registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that the Issuer has further determined that neither the Issuer, Bond Counsel nor the Town Attorney shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, and the Series 2020 Bond evidences a loan made for our own account and not with a present view to a resale or other distribution to the public. We understand that the Series 2020 Bond may be transferred only in whole and only to a Permitted Lender (as defined in this Resolution).

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(7), Florida Statutes. We are not purchasing the Series 2020 Bond 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.

We are a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933 that is engaged as a regular part of its business in making loans and purchasing bonds similar to the Series 2020 Bond.

DATED this _____ day of _____, 2020.

CENTERSTATE BANK, N.A.

By: _____

Name: Russel L. Mouton, II

Title: Senior Vice President

EXHIBIT B

FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with the Town of Lake Hamilton, Florida (the "Issuer") for the private purchase of the not to exceed \$1,550,000 Town of Lake Hamilton, Florida Capital Improvement Revenue Bond, Series 2020 (the "Series 2020 Bond"), as authorized by Resolution No. _____ adopted by the Town Council of the Issuer on January ____, 2020 (the "Resolution"). Prior to the award of the Series 2020 Bond, 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 (the "Bank") in connection with the issuance of the Series 2020 Bond (such fees and expenses to be paid by the Issuer):

Nabors, Giblin & Nickerson, P.A., Bank Counsel, \$2,500.00

2. (a) No fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Series 2020 Bond to any person not regularly employed or retained by the Bank (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes) except as specifically enumerated as expenses to be incurred by the Purchaser, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Bank, or to the knowledge of the Bank, 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 Bank or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2020 Bond.

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

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

5. Truth-in-Bonding Statement:

The Issuer is proposing to issue \$1,550,000 of debt or obligation for the primary purpose of financing the acquisition, construction and/or equipping of certain improvements to Town Hall. The Series 2020 Bond is expected to be repaid over a period of approximately _____ years. At a fixed interest rate of 3.75% per annum, total interest paid over the life of the Series 2020 Bond will be approximately \$_____.

The source of repayment or security for this proposal is the covenant to budget and appropriate Non-Ad Valorem Revenues. Issuance of the Series 2020 Bond is estimated to result

in an annual average of approximately \$_____ of revenues of the Issuer not being available to finance the services of the Issuer during the life of the Series 2020 Bond. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

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

CenterState Bank, N.A.
300 West Central Avenue
Lake Hamilton, Florida 33853

DATED this ____ day of _____, 2020.

CENTERSTATE BANK, N.A.

By: _____
Name: Russel L. Mouton, II
Title: Senior Vice President

EXHIBIT C

FORM OF BOND

THIS SERIES 2020 BOND MAY ONLY BE TRANSFERRED TO AN AFFILIATE OF CENTERSTATE BANK, N.A., OR ANY BANK, TRUST COMPANY, SAVINGS INSTITUTION, INSURANCE COMPANY OR QUALIFIED INSTITUTIONAL BUYER UNDER RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933 THAT IS ENGAGED AS A REGULAR PART OF ITS BUSINESS IN PURCHASING BONDS OR OBLIGATIONS SIMILAR TO THE BOND.

Dated Date: November _____, 2020

Not to Exceed \$1,550,000

TOWN OF LAKE HAMILTON, FLORIDA
CAPITAL IMPROVEMENT REVENUE BOND,
SERIES 2020

Maturity Date: November 1, 2039

KNOW ALL MEN BY THESE PRESENTS that the Town of Lake Hamilton, Florida (the "Issuer"), for value received, promises to pay from the sources hereinafter provided, to the order of CenterState Bank, N.A., or registered assigns (hereinafter, the "Owner"), the principal sum of One Million Fifty Thousand Dollars or the principal amount drawn against this Bond, in accordance with the hereinafter defined Resolution, in the amounts and on the dates to be determined by the Issuer and the Owner at the end of the Draw Down Period, together with interest on the principal balance at a rate of 3.75% per annum, as may be adjusted as described in Schedule I hereto (the "Bond Interest Rate"), with an initial interest payment date of June 30, 2020. Thereafter, the principal and interest on this Bond shall be paid semi-annually on May 1 and November 1 of each year, commencing November 1, 2020. Interest shall be calculated on the basis of twelve 30-day months and a 360-day year. The interest rate hereon shall be subject to adjustment and this Bond shall be subject to certain other terms as provided in Schedule I hereto.

Proceeds from the sale of the Bond may be drawn down by the Issuer as needed on or before June 30, 2020 (the "Draw Down Period"). In no event shall the total principal amount drawn exceed \$1,550,000. The Issuer shall make draw requests in writing to the Owner stating the amount and use of the funds requested and each draw request made by the Issuer shall constitute an affirmation that the Issuer is not then in default under the Resolution or under the Bond. Each amount drawn shall be funded by the Owner within two Business Days of the written request into a checking account of the Issuer for which account information has been provided by the Issuer in such draw request.

Principal on this Bond is payable semi-annually on November 1 and May 1 of each year commencing on May 1, 2020 in substantially equal principal and interest payments according to an amortization schedule agreed to between the Issuer and the Owner, in lawful money of the United States of America at such place as the Owner may designate to the Issuer in writing.

This Bond may be prepaid in whole or in part on any date upon ten (10) days' prior written notice to the Owner at a prepayment price of 100% of the principal amount being prepaid without any prepayment penalty or fee plus accrued interest to the date of prepayment, all in accordance with the hereinafter defined Resolution.

If any date for the payment of principal and interest hereon or the taking of any action hereunder shall fall on a day which is not a Business Day, the payment due or action to be taken on such date shall be due on the next succeeding day which is a Business Day, but the Issuer shall not receive credit for the payment until it is actually received by the Owner.

All payments by the Issuer pursuant to this Bond shall apply first to accrued interest, then to other charges due the Owner, and the balance thereof shall apply to principal.

This Bond is issued to finance capital improvements pursuant to the Constitution of the State of Florida, Chapter 166, Florida Statutes, and other applicable provisions of law (the "Act"), the Charter of the Issuer, as amended, Resolution No. _____ adopted by the Town Council of the Issuer on January _____, 2020, (the "Resolution"), and is subject to all the terms and conditions of the Act and the Resolution. All terms, conditions and provisions of the Resolution are by this reference thereto incorporated herein as a part of this Bond. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

THIS BOND SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER AS "BONDS" WITHIN THE MEANING OF ARTICLE VII, SECTION 12 OF THE CONSTITUTION OF FLORIDA, BUT SHALL BE PAYABLE SOLELY FROM THE NON-AD VALOREM REVENUES IN ACCORDANCE WITH THE TERMS OF THE RESOLUTION. NO HOLDER OF THE BOND ISSUED HEREUNDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY FUNDS OF THE ISSUER EXCEPT FROM THE NON-AD VALOREM REVENUES, COVENANTED, BUDGETED AND DEPOSITED, AS DESCRIBED IN THE RESOLUTION.

This Bond is payable solely from and secured by a pledge of the Non-Ad Valorem Revenues received by the Issuer, in the manner provided in the Resolution.

This Bond may be exchanged or transferred by the Owner hereof only in whole upon the registration books maintained by the Issuer and in the manner provided in the Resolution.

This Bond does not constitute a general indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Holder of this Bond that such Holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer or taxation of any real or personal property therein for the payment of the principal of and interest on this Bond or the making of any debt service fund, reserve or other payments provided for in the Resolution.

The Issuer has entered into certain further covenants with the Holders of this Bond for the terms of which reference is made to the Resolution and Schedule I hereto.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Act.

IN WITNESS WHEREOF, the Town of Lake Hamilton, Florida, has issued this Bond and has caused the same to be signed by the Mayor and countersigned and attested to by the Town Clerk and its seal to be affixed, impressed, imprinted, lithographed or reproduced hereon.

TOWN OF LAKE HAMILTON, FLORIDA

(SEAL)

By: _____
Mayor

ATTESTED AND COUNTERSIGNED:

By: _____
Town Clerk

SCHEDULE "I"
Adjustments to Rate of Interest

"Determination of Taxability" shall mean an event whereby interest on this Bond is determined or declared, by the Internal Revenue Service or a court of competent jurisdiction to be included in the gross income of the Registered Owner for federal income tax purposes under the Code, which is the result of an action or inaction of the Issuer.

Upon the occurrence of a Determination of Taxability, or if it should be determined or declared by the Internal Revenue Service or a court of competent jurisdiction that this Bond is not a "qualified tax exempt obligation" within the meaning of Section 265(b)(3) of the Code, then the interest rate on this Bond shall be adjusted to 4.75% per annum (the "Adjusted Interest Rate"), as of and from the date such event would be applicable with respect to this Bond (the "Accrual Date"); and (i) the Issuer shall on the next interest payment date hereon (or if this Bond shall have matured, within thirty days after demand by the Owner) pay to the Owner an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Bond at the Adjusted Interest Rate from the Accrual Date to such next interest payment date, and (B) the actual interest paid by the Issuer on this Bond from the Accrual Date to such next interest payment date, and (2) any interest, penalties and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) required to be paid as a result of any additional State of Florida and federal income taxes imposed upon such Holder and/or former Holder arising as a result of such event; and (ii) from and after the date of such event, this Bond shall continue to bear interest at the Adjusted Interest Rate. This adjustment shall survive payment of this Bond until such time as the federal statute of limitations under which the interest on this Bond could be declared taxable under the Code shall have expired.