
LOAN AGREEMENT

BETWEEN

CITY OF NORTH PORT, FLORIDA

AND

TRUIST BANK

Dated May ___, 2020

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This **LOAN AGREEMENT** (the "Agreement") is made and entered into on May ____, 2020, by and between the **CITY OF NORTH PORT, FLORIDA**, a municipal corporation duly organized and validly existing under the laws of the State of Florida (the "City"), and **TRUIST BANK**, a North Carolina banking corporation, and its successors and assigns (the "Noteholder");

WITNESSETH:

WHEREAS, the City is authorized by provisions of the Florida Constitution, Chapter 166, Florida Statutes, the Charter of the City and other applicable provisions of law (collectively, the "Act") to, among other things, acquire, construct, equip, own, sell, lease, operate and maintain various capital improvements and public facilities to promote the health, welfare and economic prosperity of the residents of the City and to borrow money to finance and refinance the acquisition, construction, equipping and maintenance of such capital improvements and public facilities; and

WHEREAS, the City previously issued the Series 2013 Bonds (as defined herein) to finance the acquisition and construction of various transportation related capital improvements within the City; and

WHEREAS, in order to achieve certain debt service savings for the City, PFM Financial Advisors LLC, the Financial Advisor for the City, solicited bids on behalf of the City from various financial institutions to provide a term loan to the City to refund a portion of the Series 2013 Bonds (as further described herein, the "Refunded Bonds"); and

WHEREAS, Truist Bank (including any successors and assigns, the "Noteholder") submitted a proposal (the "Proposal") to provide the City with a term loan to refund the Refunded Bonds, which Proposal was the most favorable proposal received by the City; and

WHEREAS, the Noteholder is willing to make a taxable term loan to the City, and the City is willing to incur such loan, pursuant to the terms and provisions of this Agreement in a principal amount of \$_____ to refund the Refunded Bonds and pay the issuance costs.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

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

ARTICLE I

DEFINITION OF TERMS

SECTION 1.01. DEFINITIONS. The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings in this Article I specified, unless the context clearly otherwise requires.

"Act" shall mean the Florida Constitution, Chapter 166, Florida Statutes, the Charter of the City and other applicable provisions of law.

"Adjusted Essential Expenditures" shall mean the product obtained by multiplying Essential Expenditures by a fraction, the numerator of which equals Non-Ad Valorem Revenues and the denominator of which is the sum of Ad Valorem Revenues and Non-Ad Valorem Revenues.

"Ad Valorem Revenues" shall mean all revenues of the City derived from the levy and collection of ad valorem taxes on real or personal property.

"Agreement" shall mean this Loan Agreement, dated as of May ___, 2020, between the City and the Noteholder and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A., Tampa, Florida or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which banks within the State are authorized or required to be closed.

"City" shall mean the City of North Port, Florida, a municipal corporation duly organized and validly existing under the laws of the State.

"Clerk" shall mean the City Clerk of the City, any Assistant or Deputy City Clerk or the duly authorized designee of the City Clerk.

"Counterparty" shall mean the entity entering into a Hedge Agreement with the City. Counterparty would also include any guarantor of such entity's obligations under such Hedge Agreement.

"Debt" means at any date (without duplication) all of the following to the extent that they are secured by or payable in whole or in part from any Non-Ad Valorem Revenues (A) all obligations of the City for borrowed money or evidenced by bonds, debentures, notes or other similar instruments; (B) all obligations of the City to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (C) all obligations of the City as lessee under capitalized leases; and (D) all indebtedness of other Persons to the extent guaranteed by, or secured by, Non-Ad Valorem Revenues of the City; provided, however, if with respect to any obligation contemplated in (A), (B), or (C) above, the City has covenanted to budget and appropriate sufficient Non-Ad Valorem Revenues as a secondary source of funds to satisfy such obligation but has not secured such obligation with a lien on or pledge of any Non-Ad Valorem Revenues

then, and with respect to any obligation contemplated in (D) above, such obligation shall not be considered "Debt" for purposes of this Agreement unless the City has actually used Non-Ad Valorem Revenues to satisfy such obligation during the immediately preceding Fiscal Year or reasonably expects to use Non-Ad Valorem Revenues to satisfy such obligation in the current or immediately succeeding Fiscal Year. After an obligation is considered "Debt" as a result of the proviso set forth in the immediately preceding sentence, it shall continue to be considered "Debt" until the City has not used any Non-Ad Valorem Revenues to satisfy such obligation for two consecutive Fiscal Years.

"Debt Service" shall mean, at any time, the aggregate amount in the then applicable period of time of principal and interest required to be paid on the outstanding Series 2020 Note during such period of time.

"Default Rate" shall mean the lesser of (a) 18% per annum, or (b) the maximum rate permitted by law.

"Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement, dated the date hereof, between the City and US Bank National Association, relating to the defeasance of the Refunded Bonds.

"Essential Expenditures" shall mean expenditures for "general government" and "public safety" accounted for in the "general fund" as shown in the City's annual audited financial statements.

"Financial Advisor" shall mean PFM Financial Advisors LLC, and any successors or assigns.

"Fiscal Year" shall mean the 12-month period commencing on October 1 of any year and ending on September 30 of the immediately succeeding year.

"Fitch" shall mean Fitch Ratings, and any successors or assigns thereto.

"Forward Purchase Agreement" shall mean the Forward Delivery and Direct Purchase Agreement to be executed between the Noteholder, or any affiliate of the Noteholder, and the City, which shall be substantially in the form attached to the Resolution Exhibit C, as the same may be amended and supplemented from time to time.

"Governmental Funds" shall mean all of the "governmental funds" of the City as described and identified in the annual audited financial statements of the City for the applicable Fiscal Year.

"Governmental Funds Revenues" shall mean total revenues of the City derived from any source whatsoever and that are allocated to and accounted for in the Governmental Funds as shown in the annual audited financial statements of the City for the applicable Fiscal Year.

"Hedge Agreement" shall mean an agreement in writing between the City and a Counterparty pursuant to which (A) the City agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement and (B) the Counterparty agrees to pay to the City an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement.

"Hedge Payments" shall mean any amounts payable by the City on the debt or the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or by virtue of termination of a Qualified Hedge Agreement or any obligation of the City to provide collateral.

"Interest Rate" shall mean a fixed interest rate equal to 2.91% per annum, which interest rate is subject to adjustment pursuant to Section 3.03 hereof.

"Maturity Date" shall mean July 1, 2037.

"Maximum Annual Debt Service" shall mean maximum annual debt service to come due during any Fiscal Year of the City on the outstanding Series 2020 Note.

"Moody's" shall mean Moody's Investors Service, and any successor or assigns thereto.

"Non-Ad Valorem Revenues" shall mean all Governmental Funds Revenues, other than Ad Valorem Revenues, but only to the extent they are legally available to make the payments required herein.

"Noteholder" shall mean Truist Bank, and any successors or assigns thereto.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, governmental entity or other legal entity.

"Qualified Hedge Agreement" shall mean a Hedge Agreement with respect to which the City has received written notice from at least two of the Rating Agencies that the rating of the Counterparty, as of the date the Hedge Agreement was entered into, is not less than "A."

"Rating Agencies" shall mean Fitch, Moody's and Standard & Poor's.

"Refunded Bonds" shall mean that portion of the Series 2013 Bonds which mature [on or after July 1, 2024.]

"Resolution" shall mean Resolution No. 2020-R-16 adopted by the City on April 28, 2020, which among other things authorized the execution and delivery of this Loan Agreement and the issuance of the Series 2020 Note.

"Series 2013 Bonds" shall mean the City of North Port, Florida Transportation Improvement Assessment Bonds, Series 2013.

"Series 2020 Note" shall mean the City of North Port, Florida Taxable Capital Improvement Refunding Revenue Note, Series 2020, authorized to be issued by the Resolution and more particularly described in Article III hereof.

"Standard & Poor's" shall mean S&P Global Ratings, a business of Standard & Poor's Financial Services LLC, and any successors and assigns thereto.

"State" shall mean the State of Florida.

SECTION 1.02. INTERPRETATION. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. Any capitalized terms used in this Agreement not herein defined shall have the meaning ascribed to such terms in the Resolution. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

SECTION 1.03. TITLES AND HEADINGS. The titles and headings of the articles and sections of this Agreement, which 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.

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ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS; SECURITY FOR SERIES 2020 NOTE

SECTION 2.01. REPRESENTATIONS AND COVENANTS BY THE CITY. The City represents, warrants and covenants that:

(a) The City is a municipal corporation duly organized and validly existing under the Constitution and other laws of the State. Pursuant to the Resolution, the City has duly authorized the execution and delivery of this Agreement and the Escrow Deposit Agreement, the performance by the City of all of its obligations hereunder and under the Escrow Deposit Agreement, and the issuance of the Series 2020 Note in the aggregate principal amount of \$_____.

(b) The City has complied with all of the provisions of the Constitution and laws of the State, including the Act, and has full power and authority to enter into and consummate all transactions contemplated by this Agreement or under the Escrow Deposit Agreement or under the Series 2020 Note, and to perform all of its obligations hereunder, under the Escrow Deposit Agreement and under the Series 2020 Note and the transactions contemplated hereby do not conflict with the terms of any statute, order, rule, regulation, judgment, decree, or conflict in any material respect with any agreement, instrument or commitment to which the City is a party or by which the City is bound and which would prevent the enforcement of any part of this Agreement.

(c) The City is duly authorized and entitled to issue the Series 2020 Note and enter this Agreement and enter the Escrow Deposit Agreement and, when issued in accordance with the terms of this Agreement, the Series 2020 Note, the Escrow Deposit Agreement and this Agreement will each constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms, subject as to enforceability to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(d) There are no actions, suits or proceedings pending or, to the best knowledge of the City, threatened against or affecting the City, at law or in equity, or before or by any governmental authority, that, if adversely determined, would materially impair the ability of the City to perform the City's obligations under this Agreement or the Escrow Deposit Agreement or under the Series 2020 Note, in any way questioning or affecting the organization or existence of the City or the right of any of its officers to their respective offices, in any way questioning or affecting the covenant to budget and appropriate the Non-Ad Valorem Revenues or which would have a material adverse effect on the City, financial or otherwise.

(e) The City will furnish to the Noteholder within 270 days after the close of each Fiscal Year a copy of the City's annual audited financial statements and will furnish to the Noteholder the annual budget within 30 days of adoption. The City shall also provide the Noteholder with any other information (financial or otherwise) reasonably requested by the Noteholder in form satisfactory to the Noteholder.

SECTION 2.02. GENERAL COVENANT OF THE NOTEHOLDER. Pursuant to the terms and provisions of this Agreement, the Noteholder agrees to provide a term loan to the City as evidenced

hereby and by the Series 2020 Note for the purpose of refunding the Refunded Bonds and paying costs relating to the issuance of the Series 2020 Note.

SECTION 2.03. SERIES 2020 NOTE SHALL NOT BE INDEBTEDNESS OF THE CITY OR STATE. The Series 2020 Note, when delivered by the City pursuant to the terms of this Agreement, shall not be or constitute an indebtedness of the City, the State of Florida or any political subdivision or agency thereof, within the meaning of any constitutional, statutory or charter limitations of indebtedness, but shall be payable solely as herein provided. The Noteholder shall never have the right to compel the exercise of the ad valorem taxing power of the City, or taxation in any form on any property therein to pay the Series 2020 Note or the interest thereon. The Series 2020 Note is a special and limited obligation secured by and payable as to principal and interest from the Non-Ad Valorem Revenues to the extent and in the manner provided herein.

SECTION 2.04. COVENANT TO BUDGET AND APPROPRIATE NON-AD VALOREM REVENUES. The City covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues amounts sufficient to pay principal of and interest on the Series 2020 Note and all other amounts owing hereunder, when due. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Noteholder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Series 2020 Note, in the manner described herein, Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 166.241(2), Florida Statutes, which generally provide that the governing body of each municipality may only make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the City or which are legally mandated by applicable law.

SECTION 2.05. PAYMENT COVENANT. The City covenants that it shall duly and punctually pay from the Non-Ad Valorem Revenues in accordance with Section 2.04 hereof, the principal of and interest on the Series 2020 Note at the dates and place and in the manner provided herein and in the Series 2020 Note according to the true intent and meaning thereof and all other amounts due under this Agreement.

SECTION 2.06. ANTI-DILUTION. During such time as the Series 2020 Note is outstanding hereunder or any amounts due hereunder or with respect to the Series 2020 Note remain unpaid or outstanding, the City agrees and covenants that upon the issuance of any subsequent Debt, Non-Ad Valorem Revenues less the Adjusted Essential Expenditures shall cover projected Maximum Annual Debt Service on the Series 2020 Note and maximum annual debt service on outstanding Debt, including the proposed Debt, by at least 1.5x. The calculations required by the immediately preceding sentence shall be determined using the average of actual Non-Ad Valorem Revenues, Essential Expenditures and Ad Valorem Revenues for the prior two Fiscal Years based on the City's annual audited financial statements. For purposes of the foregoing calculations, Maximum Annual Debt Service on the Series 2020 Note and maximum annual debt service on Debt shall be done on an aggregate basis whereby the annual debt service for each is combined and the overall maximum is determined.

For the purposes of the covenants contained in this Section 2.06, maximum annual debt service on Debt means, with respect to Debt that bears interest at a fixed interest rate, the actual maximum annual debt service, and, with respect to Debt which bears interest at a variable interest rate, maximum annual debt service on such Debt shall be determined assuming that interest accrues on such Debt at the current "Bond Buyer Revenue Bond Index" as published in The Bond Buyer no more than two weeks prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, as defined in the immediately following sentence, maximum annual debt service on such Debt shall be determined assuming such Debt is amortized over 20 years from its original date of issuance on an approximately level debt service basis. For purposes of the foregoing sentence, "Balloon Indebtedness" means Debt, 25% or more of the original principal of which matures during any one Fiscal Year. In addition, with respect to debt service on any Debt which is subject to a Qualified Hedge Agreement, interest on such Debt during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time for up to the notional amount of the Qualified Hedge Agreement. With respect to debt service on any Debt with respect to which the City elects to receive or is otherwise entitled to receive direct subsidy payments from the United States Department of Treasury, when determining the interest on such Debt for any particular interest payment date the amount of the corresponding subsidy payment shall be deducted from the amount of interest which is due and payable with respect to such Debt on the interest payment date, but only to the extent that the City reasonably believes that it will be in receipt of such subsidy payment on or prior to such interest payment date. Maximum annual debt service on Debt shall be determined on a Fiscal Year basis.

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ARTICLE III

DESCRIPTION OF SERIES 2020 NOTE; PAYMENT TERMS; OPTIONAL PREPAYMENT

SECTION 3.01. DESCRIPTION OF THE SERIES 2020 NOTE. (a) The City hereby authorizes the issuance and delivery of the Series 2020 Note to the Noteholder which Series 2020 Note shall be in an amount equal to _____ MILLION AND 00/100 DOLLARS (\$_____) and shall be designated as the "City of North Port, Florida Taxable Capital Improvement Refunding Revenue Note, Series 2020." The text of the Series 2020 Note shall be substantially in the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable to reflect the particular terms of the Series 2020 Note. The provisions of the form of the Series 2020 Note attached as Exhibit A are hereby incorporated in this Agreement.

(b) The Series 2020 Note shall be dated its date of delivery. The Series 2020 Note shall be executed in the name of the City by the manual signature of the City Manager and the official seal of the City shall be affixed thereto and attested by the manual signature of the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2020 Note shall cease to be such officer of the City before the Series 2020 Note so signed and sealed shall have been actually delivered, such Series 2020 Note may nevertheless be delivered as herein provided and may be issued as if the Person who signed or sealed such Series 2020 Note had not ceased to hold such office.

(c) The Series 2020 Note shall bear interest from its date of issuance at the Interest Rate (calculated on the basis of a 30-day month and 360-day year) as the same may be adjusted pursuant to Section 3.03 hereof. Interest on the Series 2020 Note shall be payable semi-annually, in arrears, on July 1 and January 1 of each year, commencing July 1, 2020 (each an "Interest Payment Date") so long as any amount under the Series 2020 Note remains outstanding. Principal of the Series 2020 Note shall be payable annually on July 1 of each year, commencing on July 1, 2020 (each a "Principal Payment Date"), through and including the Maturity Date. The annual principal payments shall be set forth in the Series 2020 Note. If any Interest Payment Date or Principal Payment Date is not a Business Day, the corresponding payment shall be due on the next succeeding Business Day. The Series 2020 Note shall be issued as a single term bond in the authorized denomination of its outstanding principal amount, with a final maturity of July 1, 2037.

The Series 2020 Note shall be sold on a negotiated basis to the Noteholder at a purchase price equal to 100% of the aggregate principal amount thereof. The Noteholder shall provide the City with an executed Disclosure Letter and Truth-in-Bonding Statement as required by Section 218.385, Florida Statutes, prior to the issuance of the Series 2020 Note. The Interest Rate on the Series 2020 Note shall comply in all respects with Section 215.84, Florida Statutes.

(d) The Series 2020 Note shall be payable as to principal and interest by auto-debit of a deposit account maintained by the City with a lending institution of its choice approved by the Noteholder or in such other manner as is agreed to in writing between the City and the Noteholder in whose name such Series 2020 Note shall be registered on the registration books maintained by the City as of the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date; provided, that the Noteholder shall be required to present and surrender the Series 2020 Note to the City for the final payment of the principal of such Series 2020 Note or shall otherwise provide evidence that such Series 2020 Note has been fully paid and marked

cancelled. Principal of and interest on each of the Series 2020 Note shall be payable in any coin or currency of the United States of America, which at the time of payment, is legal tender for the payment of public and private debts. The City shall maintain books and records with respect to the identity of the Noteholder, including a complete and accurate record of all assignments of this Agreement and each of the Series 2020 Note as provided in Section 3.04.

(e) The Noteholder shall not charge the City any fees or other charges for its regular servicing of the Series 2020 Note. The City shall pay the fees of the Noteholder's legal counsel with respect to the issuance of the Series 2020 Note in the amount of \$17,500.00.

SECTION 3.02. OPTIONAL PREPAYMENT. (a) Prior to July 1, 2030, the Series 2020 Note may be prepaid from any moneys legally available therefor, upon notice as provided below, in whole or in part, on any Business Day by paying to the Noteholder the principal amount of the Series 2020 Note to be prepaid, together with the unpaid interest accrued thereon to the date of such prepayment, plus the prepayment premium described in the immediately succeeding paragraph.

The prepayment premium with respect to any prepayment pursuant to this Section 3.02(a), shall equal the present value of the difference between (i) the amount that would have been realized by the Noteholder on the prepayment amount for the remaining term of the Series 2020 Note at the ICE Benchmark Administration ("IBA") rate for fixed-rate payers in U.S. Dollar interest rate swaps for a term corresponding to the term of the Series 2020 Note, interpolated to the nearest month, if necessary, that was in effect three Business Days prior to the issuance date of the Series 2020 Note, and (ii) the amount that would be realized by the Noteholder by reinvesting such prepaid funds for the remaining term of the Series 2020 Note at the IBA index for rates for fixed-rate payers in U.S. Dollar interest rate swaps, interpolated to the nearest month, that was in effect three Business Days prior to the prepayment date; both discounted at the same interest rate utilized in determining the applicable amount in (ii). Should the present value have no value or a negative value, the City may prepay the Series 2020 Note or portion thereof with no additional fee or prepayment premium. Should the IBA no longer release rates for fixed-rate payers in U. S. Dollar interest rate swaps, the Noteholder may substitute the IBA index for rates for fixed-payers in U.S. Dollar interest rate swaps with another similar index as determined by SunTrust Bank (or affiliate thereof). The Noteholder shall provide the City with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding. The application of such fee or prepayment premium is not intended to, and shall not be deemed to be, an increase in the Interest Rate.

Any partial prepayment of the Series 2020 Note pursuant to this Section 3.02(a) shall be applied to the principal repayment schedule as determined by the Noteholder in its sole discretion.

(b) Notwithstanding the provisions of Section 3.02(a), prior to July 1, 2030, during each calendar year the City may prepay up to 15% of the principal amount of the Series 2020 Note that was outstanding as of January 1 of such calendar year, upon notice as provided below, on any Business Day by paying to the Noteholder the principal amount of the Series 2020 Note to be prepaid, together with the unpaid interest accrued thereon to the date of such prepayment, without a premium or penalty.

Any prepayment of the Series 2020 Note pursuant to this Section 3.02(b) shall be applied to the principal repayment schedule as determined by the Noteholder in its sole discretion.

(c) On or after July 1, 2030, the Series 2020 Note may be prepaid, at the option of the City, from any moneys legally available therefor, upon notice as provided below, in whole or in part, on any

Business Day by paying to the Noteholder the principal amount of the Series 2020 Note to be prepaid, together with the unpaid interest accrued thereon to the date of such prepayment, without a premium or penalty.

Any partial prepayment of the Series 2020 Note pursuant to this Section 3.02(c) shall be applied to the principal repayment schedule as determined by the Noteholder in its sole discretion.

(d) Any prepayment of the Series 2020 Note pursuant to Sections 3.02(a), (b) or (c) hereof shall be made on such prepayment date as shall be specified by the City in a written notice provided to the Noteholder not less than two (2) Business Days prior thereto. Notice having been given as aforesaid, principal of the Series 2020 Note shall become due and payable in the amount and on the date of prepayment stated in such notice, together with the interest accrued and unpaid to the date of prepayment on the principal amount then being paid. If on the date of prepayment moneys for the payment of the principal amount to be prepaid on the Series 2020 Note, together with the accrued interest to the date of prepayment on such principal amount, shall have been paid to the Noteholder as above provided, then from and after the date of prepayment, interest on such prepaid principal amount of the Series 2020 Note shall cease to accrue. If said money shall not have been so paid on the date of prepayment, such principal amount of the Series 2020 Note shall continue to bear interest until payment thereof at the Interest Rate.

(e) Notwithstanding any other provision of this Section 3.02, the Series 2020 Note is subject to prepayment in whole and not in part, upon 14 days prior written notice, on the Series 2023 Note Closing Date (as defined in the Forward Purchase Agreement) by paying to the Noteholder the principal amount of the Series 2020 Note to be prepaid, together with the unpaid interest accrued thereon to the date of such prepayment, without a premium or penalty in connection with the issuance of the Series 2023 Note as described in this Section 3.02(e). The City shall so prepay the principal amount of the Series 2020 Note through the issuance of the Series 2023 Note to the Noteholder pursuant to the provisions of the Forward Purchase Agreement. In connection therewith, upon the satisfaction of the conditions set forth in the Forward Purchase Agreement, the Noteholder shall exchange the Series 2020 Note as payment of the Purchase Price (as defined in the Forward Purchase Agreement), together with a payment by the City of the accrued interest thereon, for the Series 2023 Note in the manner and to the extent provided in the Forward Purchase Agreement on the Series 2023 Note Closing Date (as defined in the Forward Purchase Agreement) if the conditions for the purchase of such Series 2023 Note under the Forward Purchase Agreement are satisfied.

SECTION 3.03. ADJUSTMENTS TO INTEREST RATES. Upon the occurrence and continuance of an Event of Default pursuant to Section 5.01 hereof and notwithstanding anything herein to the contrary, the Interest Rate shall be the Default Rate which shall be effective until such Event of Default has been cured.

SECTION 3.04. TRANSFER AND ASSIGNMENT. The Noteholder's right, title and interest in and to each of the Series 2020 Note and any amounts payable by the City thereunder may be assigned and reassigned in whole only by the Noteholder (not in part), without the necessity of obtaining the consent of the City; provided, that any such assignment, transfer or conveyance shall be made only to (a) an affiliate of the Noteholder or (b) an "accredited investor" within the meaning of Rule 501 of Regulation D of the Securities and Exchange Commission or (c) a "qualified institutional buyer," as defined in Rule 144A of the Securities Act of 1933. The Noteholder shall notify the City of any such assignment on or prior to the effective date of such assignment. If the Noteholder notifies the City of its intent to assign

and sell its right, title and interest in and to the Series 2020 Note as herein provided, the City agrees that, if so requested, it shall execute and deliver to the assignee Noteholder, a Series 2020 Note in the principal amount so assigned, registered in the name of the assignee Noteholder, executed and delivered by the City in the same manner as provided herein.

[Remainder of page intentionally left blank]

ARTICLE IV

CONDITIONS FOR ISSUANCE OF THE SERIES 2020 NOTE

SECTION 4.01. CONDITIONS FOR ISSUANCE. In connection with the issuance of the Series 2020 Note, the Noteholder shall not be obligated to purchase the Series 2020 Note pursuant to this Agreement unless at or prior to the issuance thereof the City delivers to the Noteholder the following items in form and substance acceptable to the Noteholder:

(a) An opinion of Bond Counsel addressed to the Noteholder (or addressed to the City with a reliance letter addressed to the Noteholder) in form and substance to the effect that (i) this Agreement and the Series 2020 Note have been duly authorized, executed and delivered by the City and each is an enforceable obligation against the City in accordance with the terms of each instrument (enforceability of which may be subject to standard bankruptcy exceptions and the like), (ii) the Series 2020 Note is not subject to the registration requirements under the Securities Act of 1933 and the Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, and (iii) such other matters as are reasonably requested by the Noteholder;

(b) An opinion of the City Attorney in form and substance acceptable to the Noteholder and Bond Counsel;

(c) A certificate of the City certifying compliance with Section 2.06 hereof, including mathematical computations in support thereof; and

(d) Such additional certificates, instruments and other documents as the Noteholder, Bond Counsel, or the City Attorney may deem necessary or appropriate, including an incumbency certificate of the City, a certified copy of the Resolution and a general closing certificate of the City, all in form and substance acceptable to the Noteholder.

[Remainder of page intentionally left blank]

ARTICLE V

EVENTS OF DEFAULT; REMEDIES

SECTION 5.01. EVENTS OF DEFAULT. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) The City shall fail to make timely payment of principal or interest when due with respect to the Series 2020 Note or fail to pay any other amount due hereunder or under the Note;

(b) Any representation or warranty of the City contained in Article II of this Agreement or any certificate provided to the Noteholder in connection with the transactions contemplated hereunder shall prove to be untrue in any material respect when made;

(c) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of 30 days after the earlier of (a) written notice is received by the City or (b) notice was required to have been provided to the Noteholder pursuant to Section 6.05 hereof;

(d) There shall occur the dissolution or liquidation of the City, or the filing by the City of a voluntary petition in bankruptcy, or the commission by the City of any act of bankruptcy, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of its creditors, or appointment of a receiver for the City, or the entry by the City into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter amended; or

(e) The City admits in writing its inability to pay its debts generally as they become due or is adjudged insolvent by a court of competent jurisdiction, or it is adjudged bankrupt on a petition in bankruptcy filed by or against the City or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the County, a receiver or trustee of the City or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof.

SECTION 5.02. REMEDIES. If any event of default shall have occurred and be continuing, the Noteholder or any trustee or receiver acting for the Noteholder may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the City or by any officer thereof, including, but not limited to, specific performance. No remedy herein conferred upon or reserved to the Noteholder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Notwithstanding any other provision herein, the Noteholder shall never have the right to declare the Series 2020 Note immediately due and payable, except as any such right may be provided pursuant to Section 6.01 hereof.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. ENTIRE AGREEMENT; AMENDMENTS TO THIS AGREEMENT; ACCELERATION RIGHTS. (a) This Agreement constitutes the entire agreement between the Noteholder and the City, and all negotiations and oral understandings between the parties are merged herein. The terms and conditions set forth in this Agreement supersede any and all previous agreements, promises, negotiations or representations. Any other agreements, promises, negotiations or representations not expressly set forth or incorporated into this Agreement are of no force and effect.

(b) Neither the Series 2020 Note nor the Resolution shall be amended, changed or modified without the prior written consent of the Noteholder and the City. The City Manager is authorized to enter into and to execute any amendments to this Agreement. This Agreement can be amended or modified only by an instrument in writing signed by the City Manager and a duly authorized representative of the Noteholder.

(c) Notwithstanding the foregoing, if, in connection with the issuance of any additional indebtedness of the City that is secured solely by a covenant to budget and appropriate Non-Ad Valorem Revenues similar to the covenant of the City set forth in Section 2.04 hereof, the City provides the lender of such additional indebtedness acceleration rights as a remedy to any event of default, then such covenants shall be deemed to be incorporated by reference herein and upon the request of the Noteholder the City and the Noteholder shall promptly amend this Agreement so as to provide the Noteholder with the same provisions. In addition, if the holder of any subsequently issued additional indebtedness that is secondarily secured by a covenant to budget and appropriate Non-Ad Valorem Revenues similar to the covenant of the City set forth in Section 2.04 hereof exercises its right to accelerate the payment of such indebtedness upon a default thereunder, then, upon an Event of Default hereunder, the Noteholder shall have the right to declare all amounts due hereunder immediately due and payable.

SECTION 6.02. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

SECTION 6.03. SEVERABILITY. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such provisions or sections shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

SECTION 6.04. TERM OF AGREEMENT. This Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as the Series 2020 Note is outstanding.

SECTION 6.05. NOTICE OF CHANGES IN FACT. Within 10 days of becoming aware of the same, the City will notify the Noteholder in writing of (a) any change in any material fact or circumstance represented or warranted by the City in this Agreement or in connection with the issuance of the Series 2020 Note, and (b) any default or event which, with notice or lapse of time or both, could become a default under this Agreement, specifying in each case the nature thereof and what action the City has

taken, is taking and/or proposed to take with respect thereto. Regardless of the date of receipt of such notice by the Noteholder, such date shall not in any way modify the date of the occurrence of the actual Event of Default.

SECTION 6.06. NOTICES. Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or sent registered or certified mail, postage prepaid, to City of North Port, Florida, 4970 City Hall Boulevard, North Port, Florida 34286, Attention: City Manager, with a copy to City of North Port, Florida, 4970 City Hall Boulevard, North Port, Florida 34286, Attention: City Manager, with a copy to the City Attorney, and to the Noteholder, Truist Bank, 401 East Jackson Street, 20th Floor, Tampa, Florida 33602, or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

SECTION 6.07. NO THIRD-PARTY BENEFICIARIES. This Agreement is for the benefit of the City and the Noteholder and their respective successors and assigns, and there shall be no third-party beneficiary with respect thereto.

SECTION 6.08. CONTROLLING LAW; VENUE. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Florida. Venue for any action or proceeding, in law or equity, shall be exclusively in Sarasota County, Florida and each party agrees to jurisdiction in the state and federal courts located in Sarasota County, Florida or, if there is no federal court located in Sarasota County, Florida, the federal court having jurisdiction over matters arising in Sarasota County, Florida.

SECTION 6.09. WAIVER OF JURY TRIAL. The City and the Noteholder 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 the Series 2020 Note and any other document or instrument contemplated to be executed in conjunction with the Series 2020 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 Noteholder entering into this Agreement and accepting the Series 2020 Note. Further, the City hereby certifies that no representative or agent of the Noteholder, nor the Noteholder's counsel, has represented, expressly or otherwise, that the Noteholder would not, in the event of such litigation, seek to enforce this waiver of right to jury trial provision.

SECTION 6.10. PATRIOT ACT NOTICE. The Noteholder hereby notifies the City that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (the "USA PATRIOT Act"), the Noteholder may be required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Noteholder to identify the City in accordance with the USA PATRIOT Act.

SECTION 6.11. 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 City acknowledges and agrees, that: (a) (i) it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and any other loan documents, (iii) the Noteholder

is not acting as a municipal advisor or financial advisor to the City and (v) the Noteholder has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the City with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Noteholder has provided other services or is currently providing other services to the City on other matters); (b) (i) the Noteholder 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 City, or any other person and (ii) the Noteholder has no obligation to the City, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other loan documents entered into in connection herewith; (c) notwithstanding anything herein to the contrary, it is the intention of the City and the Noteholder 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 Noteholder is delivered solely to evidence the repayment obligations of the City under the loan document; and (d) the Noteholder may be engaged in a broad range of transactions that involve interests that differ from those of the City, and the Noteholder has no obligation to disclose any of such interests to the City. To the fullest extent permitted by law, the City hereby waives and releases any claims that it may have against the Noteholder with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby. If the City would like a municipal advisor in this transaction that has legal fiduciary duties to the City, the City is free to engage a municipal advisor to serve in that capacity. The transactions contemplated herein and the Note are delivered, pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transactions contemplated hereunder.

SECTION 6.12. INCORPORATION BY REFERENCE. All of the terms and obligations of the Resolution are hereby incorporated herein by reference as if said Resolution was fully set forth in this Agreement and the Series 2020 Note.

SECTION 6.13. NON-DISCRIMINATION. The City does not discriminate on the basis of race, color, national origin, sex, age, disability, family or religious status in administration of its programs, activities, or services.

SECTION 6.14. AUTHORITY TO EXECUTE AGREEMENT. Each person signing this Agreement certifies that such person has the full power and authority to bind any corporation, partnership, or any other business or governmental entity for which the person purports to act hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.

CITY OF NORTH PORT, FLORIDA

By: _____
Peter D. Lear, CPA, CGMA
City Manager

ATTEST:

By: _____
Heather Taylor, CMC
City Clerk

Approved as to form and correctness

By: _____
Amber L. Slayton
City Attorney

TRUIST BANK

By: _____
Adam L. Horn, Senior Vice President

EXHIBIT A

This Note is subject to transfer restrictions as set forth in the hereinafter described Resolution

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF NORTH PORT, FLORIDA
TAXABLE CAPITAL IMPROVEMENT REFUNDING REVENUE NOTE,
SERIES 2020**

Interest Rate	Date of Issuance	Final Maturity Date
2.91%	May __, 2020	July 1, 2037

KNOW ALL MEN BY THESE PRESENTS, that City of North Port, Florida (the "City"), for value received, hereby promises to pay, solely from the Non-Ad Valorem Revenues described in the within mentioned Agreement, in the manner and to the extent provided in such Agreement, to the order of Truist Bank, or its successors or assigns (the "Noteholder"), the principal sum of _____ MILLION AND 00/100 DOLLARS (\$ _____) pursuant to that certain Loan Agreement by and between the Noteholder and the City, dated May __, 2020 (the "Agreement"), and to pay interest on such the outstanding principal amount hereof from the Date of Issuance set forth above, or from the most recent date to which interest has been paid, at the Interest Rate per annum identified above (subject to adjustment as provided in the Agreement) on July 1 and January 1 of each year, commencing on July 1, 2020, so long as any amount under this Note remains outstanding. Principal of this Note shall be payable on July 1 of each year, commencing on July 1, 2020, through and including the Maturity Date identified above. The principal repayment schedule for this Note is set forth on Appendix I attached hereto. The principal and interest on this Note is payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 166, Florida Statutes, the Charter of the City and other applicable provisions of law, and pursuant to Resolution No. 2020-R-16 duly adopted by the City on April 28, 2020 (the "Resolution"), as such Resolution may be amended and supplemented from time to time, and is subject to all terms and conditions of the Resolution and the Agreement. Any capitalized term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Agreement.

This Note is being issued to refund certain outstanding bonds of the City in order to obtain debt service savings. This Note shall be payable from the Non-Ad Valorem Revenues in the manner and to the extent provided in the Agreement.

This Note shall bear interest at the Interest Rate identified above on the basis of a 30-day month and 360 day year. Such Interest Rate is subject to adjustment as provided in Section 3.03 of the Agreement. The Noteholder shall provide to the City upon request such documentation to evidence the amount of interest due with respect to the Series 2020 Note upon any such adjustment, which shall be conclusive absent manifest error.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of interest allowed under the State of Florida as presently in effect.

All payments made by the City hereon shall apply first to fees, costs, late charges and accrued interest, and then to the principal amount then due on this Note.

Prior to July 1, 2030, this Note may be prepaid from any moneys legally available therefor, upon notice as provided below, in whole or in part, on any Business Day by paying to the Noteholder the principal amount of this Note to be prepaid, together with the unpaid interest accrued thereon to the date of such prepayment, plus the prepayment premium described in Section 3.02(a) of the Agreement.

Notwithstanding the provisions in the immediately preceding paragraph, prior to July 1, 2030, during each calendar year the City may prepay up to 15% of the principal amount of this Note that was outstanding as of January 1 of such calendar year, upon notice as provided below, on any Business Day by paying to the Noteholder the principal amount of this Note to be prepaid, together with the unpaid interest accrued thereon to the date of such prepayment, without a premium or penalty.

On or after July 1, 2030, this Note may be prepaid, at the option of the City, from any moneys legally available therefor, upon notice as provided below, in whole or in part, on any Business Day by paying to the Noteholder the principal amount of this Note to be prepaid, together with the unpaid interest accrued thereon to the date of such prepayment, without a premium or penalty.

Any partial prepayment of this Note shall be applied to the principal repayment schedule as determined by the Noteholder in its sole discretion.

Any prepayment of this Note pursuant to the foregoing provisions shall be made on such prepayment date as shall be specified by the City in a written notice provided to the Noteholder not less than two (2) Business Days prior thereto.

Notwithstanding any other provision herein or in the Agreement regarding prepayment of this Note, this Note is subject to prepayment in whole and not in part, upon 14 days prior written notice, on the Series 2023 Note Closing Date (as defined in the Forward Purchase Agreement) by paying to the Noteholder the principal amount of this Note to be prepaid, together with the unpaid interest accrued thereon to the date of such prepayment, without a premium or penalty in connection with the issuance of the Series 2023 Note as described in this paragraph. The City shall so prepay the principal amount of this Note through the issuance of the Series 2023 Note to the Noteholder pursuant to the provisions of the Forward Purchase Agreement. In connection therewith, upon satisfaction of the conditions in the Forward Purchase Agreement, the Noteholder shall exchange this Note as payment of the Purchase Price (as defined in the Forward Purchase Agreement), together with a payment from the City for the accrued interest thereon, for the Series 2023 Note in the manner and to the extent provided in the Forward Purchase Agreement on the Series 2023 Note Closing Date (as defined in the Forward Purchase Agreement) if the conditions for the purchase of such Series 2023 Note under the Forward Purchase Agreement are satisfied.

This Note, when delivered by the City pursuant to the terms of the Agreement and the Resolution, shall not be or constitute an indebtedness of the City or of the State of Florida, within the

meaning of any constitutional, statutory or charter limitations of indebtedness, but shall be payable from Non-Ad Valorem Revenues budgeted and appropriated to the extent and in the manner provided in the Agreement and the Resolution. The Noteholder shall never have the right to compel the exercise of the ad valorem taxing power of the City or the State, or taxation in any form of any property therein to pay the Note or the interest thereon.

So long as any of this Note shall remain outstanding, the City shall maintain and keep books for the registration and transfer of this Note.

The Noteholder's right, title and interest in and to this Note and any amounts payable by the City hereunder may be assigned and reassigned in the manner set forth in Section 3.04 of the Agreement.

No presentment or delivery for prepayment or principal installment shall be required except upon final maturity of this Note.

IN WITNESS WHEREOF, the City caused this Note to be signed by the manual signature of the City Manager and the seal of the City to be affixed hereto or imprinted or reproduced hereon, and attested by the manual signature of the City Clerk, and this Note to be dated the Date of Issuance set forth above.

CITY OF NORTH PORT, FLORIDA

By: _____
Peter D. Lear, CPA, CGMA
City Manager

(SEAL)

ATTEST:

By: _____
Heather Taylor, CMC
City Clerk

Approved as to form and correctness

By: _____
Amber L. Slayton
City Attorney

Principal Repayment Schedule for the
CITY OF NORTH PORT, FLORIDA
TAXABLE CAPITAL IMPROVEMENT REFUNDING REVENUE NOTE, SERIES 2020

Date	Principal
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