

POLK CITY

December 18, 2017

City Commission Meeting
Polk City Government Center
123 Broadway Blvd., SE

7:00 P.M.

CALL TO ORDER – Mayor Joe LaCascia

INVOCATION – Pastor Walter Lawlor, New Life Community Church

PLEDGE OF ALLEGIANCE – Mayor Joe LaCascia

ROLL CALL – Assistant to the City Manager Sheandolen Dunn

APPROVE CONSENT AGENDA

PRESENTATIONS AND RECOGNITIONS

1) School Choice Proclamation

PUBLIC COMMENT – ITEMS NOT ON AGENDA (limit comments to 3 minutes)

AGENDA

1. **Resolution 2017-10** - A Resolution Amending and Restating Resolution 2017-06; Amending and Restating Resolution 2017-07, Authorizing and Approving the Negotiated Sale of Not to Exceed \$9,500,000 in Aggregate Principal Amount of Polk City, Florida, Water and Sewer System Refunding Revenue Bonds, Series 2017
2. **Public Works / Utilities Facility** – Consideration of Option Contract for Sale and Purchase of Property known as “Bryant Property”, located at 9835 North State Road 33, Polk City, Florida
3. **Refinancing of USDA Loan** – Approval of Loan Documents and Authorization to Close the Loan

CITY MANAGER ITEMS

CITY ATTORNEY ITEMS

COMMISSIONER ITEMS

Vice Mayor Harris
Commissioner Blethen
Commissioner Carroll
Commissioner Kimsey
Mayor LaCascia

ANNOUNCEMENTS

ADJOURNMENT

CONSENT AGENDA
December 18, 2017

MAY ALL BE APPROVED BY ONE VOTE OF COMMISSION TO ACCEPT CONSENT AGENDA. Commission Members may remove a specific item below for discussion, and add it to the regular agenda under New or Unfinished Business, whichever category best applies to the subject.

A. CITY CLERK

1. Accept minutes – November 2, 2017 – Special City Commission Meeting
2. Accept minutes – November 16, 2017 – Special City Commission Meeting
3. Accept minutes – November 20, 2017 – Regular City Commission Meeting

B. REPORTS

1. Building Report – November 2017
2. Library Report – November 2017
3. Polk Sheriff's Report – November 2017
4. Public Works Report – November 2017
5. Utilities Report – October/November 2017

C. OTHER

Please note: Pursuant to Section 286.0105, Florida Statutes, if a person decides to appeal any decision made by the City Commission with respect to any matter considered during this meeting, he or she will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the American with Disabilities Act, a person with disabilities needing any special accommodations to participate in city meetings should contact the Office of the City Clerk, Polk City Government Center, 123 Broadway, Polk City, Florida 33868 Telephone (863) 984-1375. The City of Polk City may take action on any matter during this meeting, including items that are not set forth within this agenda.

Minutes of the City Commission meetings may be obtained from the City Clerk's office. The minutes are recorded, but are not transcribed verbatim. Persons requiring a verbatim transcript may arrange with the City Clerk to duplicate the recordings, or arrange to have a court reporter present at the meeting. The cost of duplication and/or court reporter will be at the expense of the requesting party.



Polk City City Commission Agenda Form

Meeting Date: December 18, 2017

Item Number: Presentations

Subject: Proclamation for Polk City School Choice Week	
Department: Administrative	
Summary: This proclamation is in recognition of Polk City School Choice Week	
Requested Commission Action: Recognize January 21-27, 2018 Polk City School Choice Week	
Financial Impact: None	
Attachments: X	Supporting Documents Reviewed X
Submitting Department Head: Patricia Jackson, City Manager	Date: 12/12/2017
Approved by City Manager:	Date:
City Commission Action: <input type="checkbox"/> Approved as Recommended <input type="checkbox"/> Approved with Modifications <input type="checkbox"/> Tabled to Time Certain Date: _____ <input type="checkbox"/> Denied	



Proclamation

WHEREAS all children in City of Polk City should have access to the highest-quality education possible; and,

WHEREAS Polk City recognizes the important role that an effective education plays in preparing all students in Polk City to be successful adults; and,

WHEREAS quality education is critically important to the economic vitality of Polk City; and,

WHEREAS Polk City is home to a multitude of high quality public and nonpublic schools from which parents can choose for their children, in addition to families who educate their children in the home; and

WHEREAS, educational variety not only helps to diversify our economy, but also enhances the vibrancy of our community; and,

WHEREAS Polk City has many high-quality teaching professionals in all types of school settings who are committed to educating our children; and,

WHEREAS, School Choice Week is celebrated across the country by millions of students, parents, educators, schools and organizations to raise awareness of the need for effective educational options;

NOW, THEREFORE, I, Joe LaCascia do hereby recognize January 21-27, 2018 as

Polk City School Choice Week

and I call this observance to the attention of all of our citizens.

Polk City

Joe LaCascia, Mayor

ATTEST:

City Manager/City Clerk



Polk City City Commission Agenda Form

Meeting Date: December 18, 2017
Item Number: Consent Agenda

Subject: Accept minutes for: November 2, 2017 – Special City Commission Meeting November 16, 2017 – Special City Commission Meeting November 20, 2017 – Regular City Commission Meeting	
Department: Administrative	
Summary:	
Requested Commission Action: Approval of Minutes	
Financial Impact: None	
Attachments: X	Supporting Documents Reviewed X
Submitting Department Head: Patricia R. Jackson, City Manager	Date: 12/12/2017
Approved by City Manager:	Date:

SPECIAL CITY COMMISSION MINUTES

November 2, 2017

Mayor Joe LaCascia called the meeting to order at 7:00 p.m.

Invocation by Keith Prestage. Pledge of Allegiance led by Mayor LaCascia.

ROLL CALL – Assistant to the City Manager Sheandolen Dunn

Present: Mayor Joe LaCascia, Vice Mayor Wanda Harris, Commissioner Don Kimsey, Commissioner Mike Blethen, Commissioner Randy Carroll, City Attorney Thomas Cloud and City Manager Patricia Jackson

ORDER OF BUSINESS

Consideration of Proposed Alternatives for a Public Works / Utilities Facility - Presentation by Public Works Director Keith Prestage

Keith Prestage stated on July 17, 2017 the City Commission unanimously agreed that Polk City needs a Public Works/Utility Facility. Below are two alternatives for consideration:

Alternative One:

Polk City owns a piece of property on Orange Boulevard that is approximately 5 Acres. Two and a half acres of the property is on a 4/1 slope that makes it difficult to build on however the other two and a half acres is relatively level grade. We propose to build a 3,000 square foot building with 2,000 square foot open bays for a total of 5,000 square foot under roof pre-engineered manufactured metal building. This will include two and a half acres of site work including civil, underground storm and utility plus a building foundation. Inside the building will entertain two bays for equipment and vehicle maintenance and repair, two small offices for public works and utilities. It also includes storage area for parts and material. Outside will be two covered bays to secure sensitive equipment from the weather. Also a six foot fence to secure the property.

Cost includes:

Civil and architectural design construction plans.

Site work, underground civil and utility work.

Full construction by contractor.

Estimated Cost - \$490,000.00 to \$550,000.00

Alternative Two:

The City to purchase property with three existing structures. The property is a total of 17 acres with 6 ½ acres dry and 11 ½ acres in flood zone which surrounds the property

acting as a security buffer allowing access from SR 33 only. The property has three structures.

One – a 4,240 sq. ft. concrete reinforced building with a metal roof, which includes 2 shop bays for equipment repairs, 3 large rooms for office space and 2 large spaces for storage.

Two – a 6,500 sq. ft. covered barn with a concrete floor, metal roof, 10 bay storages, wash slab and loading dock.

Three – a 1,335 sq. ft. house

For a total of 12,075 sq. ft. under roof

Estimated cost: \$400,000.00 - \$450,000.00

Public Comments on this agenda item - 3 minute limit

- 1) Raymond Bryant (9180 Bryant Road) – Spoke to clear up rumors relating to Polk City purchasing the Bryant Property.
- 2) Joan Ames (341 Crape Myrtle Lane) – City Debt
- 3) Donald Syme (310 Nolane Lane) – Not in favor of Polk City purchasing the Bryant Property.
- 4) Martina Ganglemann (13331 Commonwealth Avenue N) – Dollar amount of City's debt and property purchase price.
- 5) Sandra Cutts (315 Central Avenue) – In favor of constructing a new Public Works facility.
- 6) Mary Ann Benedickson (153 Laynewade Road) – Not in favor of purchasing the Bryant Property.
- 7) Alvin Topolski (438 Meandering Way) – In favor of a Public Works Facility

Discussion and action by the City Commission

Commissioner Blethen is not in agreement with the two options presented and wants City staff to explore more options.

Vice Mayor Harris stated the need to look at what Polk City will be getting for the price. Is In favor of purchasing the Bryant Property.

Commissioner Carroll stressed the importance that the Commission make a decision for Polk City's future. In favor of purchasing the Bryant property.

Mayor LaCascia stated Polk City has the cash to do either option and paying cash will not disturb anything Polk City has going on for the next five years.

City Manager Jackson explained that growth pays for itself through impact fees. In the General Fund there are impact fees for capital improvements and public facilities and a portion of that money can go toward any decision the Commission makes. Impact fees in the Enterprise Fund for growth and that money can be used. Money can also be used from Reserves in operating cash. So, there are three different resources to pull from. We do have a balanced budget which includes \$28,000 if we decide to take out a loan.

Currently, Polk City has \$255,000 in the General Fund, \$670,000 in the Enterprise Fund and Water \$130,000.00. This does not include the \$173,000 from impact fees that will come from Fountain Park.

Commissioner Kimsey restated Polk City can buy something for less than \$500,000.

Keith Prestage stated if water levels get above three feet, the Bryant property will be the least of Polk City's worries. The decision needs to be made based on the City as a whole, not just based on the folks in the room tonight.

Mayor LaCascia reiterated options one is authorizing the City Manager to bring back a contract to purchase the Bryant Property and option two to build a facility on City-owned property.

City Manager Jackson stressed the critical need for a Public Works/Utilities facility. Urged the City Commission to make a decision to buy an existing piece of property or build one.

Lengthy discussion ensued.

Motion by Commissioner Kimsey to authorize the City Manager to bring back a contract proposal from the owner to buy the Bryant Property; the motion was seconded by Commissioner Carroll.

Vote: Commissioner Carroll – aye; Vice Mayor Harris; Commissioner Kimsey – aye; Commissioner Blethen – nay; Mayor LaCascia – aye

Motion carried 4/1.

CITY MANAGER ITEMS - None

CITY ATTORNEY ITEMS - None

COMMISSIONER ITEMS

Vice Mayor Harris – Thanked everyone for coming

Commissioner Blethen – Thanked everyone for coming

Commissioner Kimsey – Thanked everyone for coming

Commissioner Carroll – Stressed the need for the city officials and the residents to get on one accord for the betterment of Polk City.

Mayor LaCascia – Over the next several days will address rumors that have been surfacing about him.

ANNOUNCEMENTS - None

ADJOURNMENT – 8:20 pm

Patricia Jackson, City Manager

Joe LaCascia, Mayor

SPECIAL CITY COMMISSION MINUTES

November 16, 2017

Mayor Joe LaCascia called the meeting to order at 7:00 p.m.

Invocation by Commissioner Randy Carroll. Pledge of Allegiance led by Mayor LaCascia.

ROLL CALL – Assistant to the City Manager Sheandolen Dunn

Present: Mayor Joe LaCascia, Commissioner Don Kimsey, Commissioner Mike Blethen, Commissioner Randy Carroll, and City Manager Patricia Jackson

Absent: Vice Mayor Wanda Harris, City Attorney Thomas Cloud

ORDER OF BUSINESS

Planning Advisory Services Agreement with Central Florida Regional Planning Council

Jennifer Codo-Salisbury, Deputy Director, CFRPC discussed the Central Florida Regional Planning Council's Planning Advisory Services Agreement at length as previously discussed at the October 16, October 30 and November 2, 2017 meetings.

After lengthy discussion, there was a **Motion by Commissioner Blethen** to approve the Planning Advisory Services Agreement with Central Florida Regional Planning Council; this motion was seconded by Mayor LaCascia.

Commissioner Kimsey inquired about what CFRPC controls.

Ms. Codo-Salisbury explained that the Polk City's Land Development Regulations adopted in the 1990's determine what can and cannot be done in Polk City. CFRPC only reviews and advises Polk City.

City Manager Jackson provided a thorough explanation of the difference between the Code of Ordinances and the Land Development Code.

Vote: Commissioner Carroll – aye; Commissioner Blethen – aye; Commissioner Kimsey – aye; Mayor LaCascia – aye

Motion carried 4/0.

Mayor LaCascia complimented Jennifer Codo-Salisbury and the CFRPC team on a job well done on the My Polk City Project Launch held on Wednesday, November 8. It was indeed a huge success

CITY MANAGER ITEMS

Grand Marshal for 2017 Christmas Parade

City Manager Jackson discussed selecting a Grand Marshal for Polk City's 2017 Christmas Parade. The City Commissioners need to nominate someone.

Commissioner Blethen nominated Polk City Elementary's Teacher of the Year.

COMMISSIONER ITEMS

Commissioner Blethen – Nothing

Commissioner Kimsey – Nothing

Commissioner Carroll – Nothing

Mayor LaCascia – Nothing

ANNOUNCEMENTS - None

ADJOURNMENT – 7:35 pm

Patricia Jackson, City Manager

Joe LaCascia, Mayor

CITY COMMISSION MINUTES

November 20, 2017

Mayor Joe LaCascia called the meeting to order at 7:00 p.m.

Walter Lawlor, New Life Community Church, gave the invocation.

Those present recited the Pledge of Allegiance led by Mayor Joe LaCascia.

ROLL CALL - City Manager Patricia Jackson

Present: Mayor Joe LaCascia, Vice Mayor Wanda Harris, Commissioner Don Kimsey, Commissioner Mike Blethen, Commissioner Randy Carroll, City Attorney Thomas Cloud and City Manager Patricia Jackson

APPROVE CONSENT AGENDA

Motion by Mayor LaCascia to approve the Consent Agenda. City Commission approved by Voice Vote.

PRESENTATIONS AND RECOGNITIONS - None

PUBLIC COMMENT

- 1) Lawrence Doyle – (160 Appaloosa Hill Road) – Discussed property fines for property that is out of compliance for development of vacant land.

Mr. Doyle will schedule a meeting City Manager Jackson.

ORDER OF BUSINESS

PUBLIC HEARING - ORDINANCE 2017-05

AN ORDINANCE OF POLK CITY, FLORIDA; AMENDING THE FINAL BUDGET; REALLOCATING AND REAPPROPRIATING MONIES WITHIN THE BUDGET FOR FISCAL YEAR 2016-2017; PROVIDING FOR ALL OTHER ITEMS IN THE BUDGET OF EXPENSES TO REMAIN UNCHANGED; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE. Second and Final Reading

City Attorney Cloud read the Ordinance by title only. Mayor LaCascia opened the public hearing; there being no questions or comments, Mayor LaCascia closed the public hearing.

Motion by Vice Mayor Harris to approve Ordinance 2017-05 on second and final reading; this motion was seconded by Commissioner Kimsey.

No Discussion.

Vote: Commissioner Carroll—aye, Vice Mayor Harris - aye, Commissioner Kimsey - aye, Commissioner Blethen – nay, Mayor LaCascia-aye

Motion carried 4/1.

PUBLIC HEARING - ORDINANCE 2017-06

AN ORDINANCE OF POLK CITY, FLORIDA, FOR THE PURPOSE OF AUTHORIZING THE BORROWING OF NOT TO EXCEED \$1,400,000 FROM CITIZENS BANK & TRUST FOR THE PURPOSE OF REFUNDING CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2007; PLEDGING A FIRST PRIORITY LIEN ON THE CITY'S COMMUNICATION SERVICES TAX AND HALF-CENT SALES TAX TO SECURE THE PAYMENT THEREOF; PROVIDING FOR THE RIGHTS OF THE CREDITOR; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; PROVIDING FOR CONFLICTS; PROVIDING AN EFFECTIVE DATE. Second and Final Reading.

City Attorney Cloud read the Ordinance by title only. Mayor LaCascia opened the Public Hearing.

- 1) Laura Lambert (414 Meandering Way) – Requested clarification on the Communication Services Tax and the Half Cent Sales Tax.

City Attorney Cloud and City Manager Jackson provided detailed explanations.

Mayor LaCascia closed the Public Hearing.

Commissioner Blethen requested clarification on the Bond amount taken out in 2007.

City Manager Jackson responded \$1.725 million for the Polk City Government Center.

City Attorney Cloud stated Polk City will be reducing the amount of time in which the debt is paid off from 20 years to 15 years. The interest rate on the loan will be lower, so the estimated savings will be \$288,000 over the remaining life of the new loan.

Lengthy discussion ensued.

Motion by Commissioner Kimsey to approve Ordinance 2017-06 on second and final reading; this motion was seconded by Commissioner Carroll.

Vote: Mayor LaCascia - aye, Commissioner Blethen - aye, Commissioner Kimsey -aye
Vice Mayor Harris – aye, Commissioner Carroll - aye

Motion carried unanimously.

PUBLIC HEARING – Ordinance 2017-07

AN ORDINANCE AMENDING THE FUTURE LAND USE ELEMENT OF THE POLK CITY COMPREHENSIVE PLAN TO ADD POLICY 4.6 TO PROVIDE POLICIES TO ADDRESS THE TRANSFER OF DEVELOPMENT RIGHTS FROM THE POLK CITY EXEMPTION AREA TO THE POLK CITY SPECIAL PROTECTION AREA; TRANSMITTING SAID AMENDMENT TO THE FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY FOR NOTIFICATION; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE. First Reading

Mayor LaCascia opened the Public Hearing.

Larry Cahoon (P.O. Box 1877, Dundee) – Representing Joshua Land LLC, land owner, of property in the exemption area that frames Polk City. The owner is in full support of this Ordinance.

Jennifer Codo-Salisbury, CFRPC provided further clarification and addressed any questions or concerns.

Mayor LaCascia closed the Public Hearing.

Lengthy discussion ensued regarding the transfer of development right and the special protection area.

Motion by Commissioner Kimsey to approve Ordinance 2017-07 on first reading; this motion was seconded by Vice Mayor Harris.

Vote: Commissioner Kimsey - aye, Mayor LaCascia – aye, Commissioner Carroll - aye, Commissioner Blethen - aye, Vice Mayor Harris - aye

Motion carried unanimously.

PUBLIC HEARING - Ordinance 2017-08

AN ORDINANCE OF THE CITY OF POLK CITY, FLORIDA AMENDING THE UNIFIED LAND DEVELOPMENT CODE OF THE CITY OF POLK CITY, FLORIDA; SPECIFICALLY, TO AMEND THE TEXT IN ARTICLE 7, DEVELOPMENT APPROVAL PROCESS TO PROVIDE A NEW SECTION 7.12.00, TRANSFER OF DEVELOPMENT RIGHTS; AND AMENDING ARTICLE 9, DEFINITIONS TO ADD DEFINITIONS RELATED TO THE TRANSFER OF DEVELOPMENT RIGHTS; REPEALING ALL OTHER ORDINANCES IN CONFLICT HEREIN; AND PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE. First Reading

City Attorney Cloud read the Ordinance by title only. Mayor LaCascia opened the Public Hearing.

Larry Cahoon (P.O. Box 1877, Dundee) – Represents Joshua Land LLC, land owner, of property in the exemption area that frames Polk City. The owner is in full support of this Ordinance. This will help Polk City achieve its goals of smart growth and environmental preservation.

Jennifer Codo-Salisbury (CFRPC) reiterated this is the implementation of the policies of the abovementioned Ordinance.

Motion by Vice Mayor Harris to approve Ordinance 2017-08 on first reading; this motion was seconded by Commissioner Carroll.

Commissioner Blethen inquired if this paperwork would be going through the Planning Commission

Jennifer Codo-Salisbury (CFRPC) stated all paperwork would go through the City staff first, then on to the Planning Commission for approval.

Vote: Commissioner Blethen – aye, Commissioner Carroll – aye, Vice Mayor Harris - aye, Mayor Lacascia – aye, Commissioner Kimsey - aye

Motion carried unanimously.

Offer(s) to purchase vacant property owned by Polk City:

Joseph and Kristi Merritt (0 North Citrus Grove Boulevard)

Mayor LaCascia stated Polk City has received an offer to purchase property at 0 North Citrus Grove Boulevard from Joseph and Kristi Merritt. The Merritt's were not present for this meeting. The offer is \$8,532 for the property.

Commissioner Kimsey stated this area is wetlands and heads towards the trail and Citrus Grove Boulevard.

Mayor LaCascia stated Polk City had an appraisal done of this property August 2017, which was before Hurricane Irma; and the market value on the property is \$17,000.

Commissioner Blethen stated this property can be used as conservation and recreation. He feels Polk City needs to maintain ownership of this property.

Keith Prestage stated 1) the property is under water, 2) every access point is flooded. Please keep that in mind when bringing projects to the table for discussion.

Discussion ensued.

After lengthy discussion, the Commission consensus is to sell the property.

City Attorney Cloud stated according to the sales contract presented by the Merritt's, there are costs associated with the sale of this property that Polk City would have to incur. Polk City should not incur any cost. All costs should be paid by the buyer.

Motion by Mayor LaCascia to make a counter offer of \$17,000 subject to all cost of the closing to include the realtor being paid for by the buyer; this motion was seconded by Commissioner Kimsey.

Motion carried unanimously by Voice Vote.

Motion by Mayor LaCascia to amend the previously approved motion to reflect the buyer will maintain the property in a conservation manner only.

Vote: Mayor LaCascia – aye, Commissioner Carroll – aye, Commissioner Kimsey – aye, Vice Mayor Harris – aye; Commissioner Blethen - nay

Motion carried 4/1.

Yvonne Shouey (0 Stevens Drive)

Yvonne Shouey (0 Stevens Drive) interested in purchasing this property. It is a half-acre which abuts two other pieces of property she owns. Ms. Shouey's horses have been on the property for the past ten years and she wants to buy it. Market value of the property is \$1,900. Ms. Shouey has offered \$1,500.

Commissioner Blethen inquired about other property owners in the nearby vicinity being notified.

Keith Prestage, Public Works Director stated there is one more owner and he is not interested in purchasing the property.

After lengthy discussion, Commission consensus is to sell property to Ms. Shouey for \$1,700 to include all costs associated with this purchase.

Motion by Vice Mayor Harris to approve the sale of property at 0 Stevens Drive to Yvonne Shouey for \$1,700 to include all costs associated with this purchase; this motion was seconded by Commissioner Kimsey.

Motion passed unanimously by Voice Vote.

Resolution 2017-09

A Resolution of the City Commission of Polk City, Florida, declaring certain personal property as surplus; providing for authorization for the public sale; subsequent donation or disposal of said personal property; providing for the prior advertisement of said sale; providing for all revenue to be placed in the General Fund; providing for an effective date.

Mayor LaCascia read the Resolution by title only.

City Manager Jackson discussed the items being surplus in Resolution 2017-09.

Motion by Commissioner Kimsey to approved Resolution 2017-09; this motion was seconded by Vice Mayor Harris.

Vote: Commissioner Carroll – aye, Vice Mayor Harris -aye, Commissioner Kimsey - aye, Commissioner Blethen - aye, Mayor Lacascia – aye

Motion carried unanimously.

Central Florida Regional Planning Council Contract for Services for DEO Grant

Jennifer Codo-Salisbury, Deputy Director, CFRPC stated Polk City received a grant award from the Department of Economic Opportunity (DEO) for the Parks and Recreation Master Plan. This is a community engagement effort with a workshop on Saturday, January 6 at 9 am. Post cards will be distributed throughout the City. This grant will assist with cost of a conceptual design. There is no financial impact to Polk City.

Commissioner Blethen asked what items would be included in this grant award?

Jennifer Codo-Salisbury responded free public workshops, an inventory of what Polk City currently has, an analysis of the current population and growth trends, factors of age dynamics, community survey, looking at the opportunity for a trail head.

Motion by Commissioner Kimsey to approve the CFRPC Contract for Services for DEO Grant; this motion was seconded by Vice Mayor Harris.

Motion carried unanimously by Voice Vote.

CITY MANAGER ITEMS

Konica Copier – Request City Commission to approve a lease agreement for three copiers with a maintenance contract. Will remove two copiers. \$6,324.48 per year with a maintenance contract.

Motion by Vice Mayor Harris to approve the Konica Minolta Agreement for three copiers and service; this motion was seconded by Commissioner Carroll.

Motion carried by Voice Vote 4/1.

Scanner – Polk City is in need of a scanner/copier for oversize documents such as maps/building plans etc. The cost to lease is \$179.53 per month for \$2,154.00 per year. This money is in the budget.

Thanksgiving Holiday – City Hall and Library will be closed on Thursday, November 23 and Friday, November 24.

Christmas Parade – Saturday, December 2 at 2pm

Construction Plans – Will be receiving construction plans for the new warehouse coming to Polk City in the next couple of weeks.

City Property – Stevens Drive is a residential viable piece of property. Can we put on the market to sell? City Manager Jackson will bring information to the City Commission at the next meeting.

Utilities – Taking back on January 1, 2018. Scheduling a workshop for December 11 at 7pm.

CITY ATTORNEY ITEMS

Bond – Closing on the Bond will take place before December 31, 2017. Polk City's credit rating is *A Stable* by *Standard and Poor Financial Services*. Received lower cost on Bond insurance. As stated by Standard and Poor, this excellent rating is due to Outstanding City Management.

COMMISSIONER ITEMS

Vice Mayor Harris – Thanked everyone for coming. Encouraged everyone to come to the Workshop in January. Happy Thanksgiving.

Commissioner Blethen – Happy Thanksgiving.

Commissioner Carroll – Happy Thanksgiving. Feel free to call upon us to discuss the needs in Polk City.

Commissioner Kimsey – Encouraged everyone to be safe.

Mayor LaCascia –Happy Thanksgiving

City Manager Jackson discussed the Grand Marshal selection – Commissioner Blethen nominated the Teacher of the Year. Vice Mayor Harris nominated Jennie Harper.

Commission approved 3/2 for Jennie Harper to serve as the Grand Marshal for Polk City's 2017 Christmas Parade.

ANNOUNCEMENTS - None

ADJOURNMENT – 8:48 pm

Patricia Jackson, City Manager

Joe LaCascia, Mayor

**CONSENT AGENDA
November 20, 2017**

MAY ALL BE APPROVED BY ONE VOTE OF COMMISSION TO ACCEPT CONSENT AGENDA. Commission Members may remove a specific item below for discussion, and add it to the regular agenda under New or Unfinished Business, whichever category best applies to the subject.

A. CITY CLERK

1. Accept minutes – October 16 – Regular City Commission Meeting
2. Accept minutes – October 30 – Special City Commission Meeting

B. REPORTS

1. Building Report – September/October 2017
2. Library Report – October 2017
3. Polk Sheriff's Report – October 2017
4. Public Works Report –September/October 2017

C. OTHER



Polk City
City Commission Agenda Form

Meeting Date: December 18, 2017

Item Number: Consent Agenda

Subject: Departmental Monthly Reports	
Department: Various Departments	
Summary: Monthly Department Reports for Building, Library, Public Works, Sheriff's Office, Utilities. The Financial Reports will be available once all figures are confirmed in the new ADG software.	
Requested Commission Action: Approval of Department Reports via Consent Agenda	
Financial Impact: None	
Attachments: X	Supporting Documents Reviewed X
Submitting Department Head: Patricia R. Jackson, City Manager	Date: 12/18/2017
Approved by City Manager:	Date:

Polk City Permits Added
November 2017

<u>Worktype & Permit Number</u>	<u>Address</u>	<u>Declared Value</u>	<u>Date Added</u>
1 & 2 FAMILY			
422399	8811 ASHLAND AVE POLK CITY	\$200,000.00	11/29/2017
418294	8815 ASHLAND AVE POLK CITY	\$200,000.00	11/06/2017
418288	8949 HINSDALE HEIGHTS DR POLK CITY	\$200,000.00	11/06/2017
420835	8872 SUNAPEE LOOP POLK CITY	\$200,000.00	11/15/2017
420876	8880 SUNAPEE LOOP POLK CITY	\$200,000.00	11/15/2017
418295	8884 SUNAPEE LOOP POLK CITY	\$200,000.00	11/06/2017
		<u>1,200,000.00</u>	
COMMERCIAL FOUNDATION**ONLY***			
418455	8906 HWY 33 WAREHOUSE N POLK CITY	3,700,000.00	11/06/2017
		<u>3,700,000.00</u>	
COMMERCIAL NEW			
422232	9610 HWY 33 POLK CITY	\$97,500.00	11/28/2017
ELECTRIC STAND ALONE/COMMERCL			
421255	8906 HWY 33 WAREHOUSE N POLK CITY	\$1,000.00	11/16/2017
		<u>\$1,000.00</u>	
MOBILE HOME			
422409	611 2ND ST POLK CITY	\$2,300.00	11/29/2017
		<u>\$2,300.00</u>	
RESIDENTIAL ADDITION/REMODEL			
418287	372 NOLANE LN POLK CITY	\$21,000.00	11/06/2017
		<u>\$21,000.00</u>	
RE-ROOF RESIDENTIAL			
418621	102 BAYBERRY DR POLK CITY	\$15,850.00	11/06/2017
421858	7534 BERKLEY RD POLK CITY	\$2,480.00	11/22/2017
422166	138 CARTER BLVD POLK CITY	\$6,220.00	11/27/2017
418738	418 EDGEWATER AVE POLK CITY	\$2,450.00	11/07/2017
421157	419 EDGEWATER DR POLK CITY	\$9,800.00	11/16/2017
421156	436 EDGEWATER DR POLK CITY	\$9,010.00	11/16/2017
422390	435 MARKLEN LOOP POLK CITY	\$2,450.00	11/29/2017
418482	393 NOLANE LN POLK CITY	\$15,960.00	11/06/2017
422361	222 TRAIL VIEW WAY POLK CITY	\$2,485.00	11/29/2017
		<u>\$66,705.00</u>	
WINDOW/DOOR/EMERGENCY SHUTTERS			
422357	667 MEANDERING WAY POLK CITY	\$8,000.00	11/29/2017
		<u>\$8,000.00</u>	
		<u>5,194,005.00</u>	

105 SFR Permits to Date

**POLK COUNTY SHERIFF'S OFFICE
DEPARTMENT OF LAW ENFORCEMENT**

STATISTICAL DATA

West Division

December 5, 2017

Northwest District

To: Patricia Jackson, City Manager
 From: Deputy Christina Poindexter #7376
 Subject: Statistical Report for November 2017

ACTIVITY	
FELONY ARREST	0
AFFIDAVITS FELONY	0
MISDEMEANOR ARREST	1
AFFIDAVITS MISDEMEANOR	0
OUT OF COUNTY/STATE WARRANT ARRESTS	0
PROCAP WARRANT ARREST	0
TOTAL ARRESTS	0
SEARCH WARRANTS	0
FIELD INTERROGATION REPORTS	0
TRAFFIC CITATIONS	0
INTELLIGENCE REPORTS	0
STOLEN PROPERTY RECOVERED	\$0
HRS. TRANSPORTING/ AGENCIES/DIVISIONS	0
OFFENSE REPORTS	7
NARCOTICS SEIZED	0
ASSETS SEIZED	\$7,000.00
PATROL NOTICES	0
FOXTROT REPORTS	3
TOW-AWAY NOTICES	0
COMMUNITY CONTACTS	320
TRAFFIC STOPS	4
TOTAL DISPATCHED CALLS FOR SERVICE	23

In November 2017, there were three (3) PROCAP captured crimes as compared to six (6) in 2016. During the month one (1) Business Burglary was reported from an abandoned gas station (Fleetwing) at 525 Commonwealth Avenue SW case is pending. One Petit theft was reported an unknown suspect removed the victims laser Christmas light from the front yard. There was also a residential burglary reported at 8541 Rindge Rd. a secured residence under construction in the building process.

Case No	Inc From	Inc To	DOW	Location	Narrative	PRINTS	CASE STATUS	DET
BURGLARY BUSINESS								
PCSO-170053275	2017-11-08 / 1800hrs	2017-11-22 / 1730hrs	Wed	525 COMMONWEALTH AVE SW FLEETWING	fenced in area; Unk susp cut chain & lock on the fenced area where the AC units were stored, 2 AC units & 1 refrigeration unit were missing from busin / there were wires & copper piping cut, also that electric panel door was open			Walker
BURGLARY RESIDENCE								
PCSO-170049714	2017-10-31 / 1700hrs	2017-11-01 / 0906hrs	Wed	8541 RINDGE RD	unsecured resid under construction with doors & windows but no door handles; Unk susp entered resid under construction & removed 200' of copper wire (14gauge & 12gauge)		Pending	Walker
PETIT THEFT								
PCSO-170053675	2017-11-26 / 1300hrs	2017-11-26 / 1930hrs	Sun	715 4TH ST	unk susp removed the victs Laser Christmas lights that was staked out in the middle of the front yard			Leblanc

Department of Law Enforcement																															
Polk City - 2016-2017																															
	Jan		Feb		Mar		Apr		May		June		July		Aug		Sept		Oct		Nov		Dec		YTD Totals		Monthly		YTD Average		
	16	17	16	17	16	17	16	17	16	17	16	17	16	17	16	17	16	17	16	17	16	17	16	17	16	17	16	17	Change	16	17
Robbery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Burg. Business	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	2	2	100%	0.2	0.2	
Burg. Residence	0	2	0	0	0	0	1	0	0	2	2	0	0	0	0	0	1	0	0	0	0	1	3	0	4	5	100%	0.4	0.5		
Burg. Structure	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Burg. Conveyance	0	1	0	0	0	0	2	0	3	0	2	1	0	0	0	0	0	0	0	1	0	0	0	0	0	8	2	0%	0.7	0.2	
Vehicle Theft	1	0	0	1	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1	0	2	0	0	0	6	1	0%	0.5	0.1		
Grand Theft	0	0	0	2	0	2	1	1	0	3	0	0	0	3	1	2	0	1	3	1	0	0	1	0	5	15	-100%	0.5	1.4		
Petit Theft	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	1	0	0	2	0	1	1	0	1	6	-50%	0.1	0.5		
Mail Theft	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	3	0	0%	0.3	0.0		
Retail Theft	1	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0%	0.3	0.0		
Criminal Mischief	0	0	0	1	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	2	0	1	0	4	1	0%	0.4	0.1			
Totals	2	3	0	6	1	4	6	2	4	5	7	1	1	3	2	2	2	1	5	3	6	3	6	0	35	33	0%	3.3	3.0		
% Change	50%	500%	300%	-67%	25%	-86%	200%	0%	-50%	-40%	-50%	N/A	-8%																	-8%	

PUBLIC WORKS

MONTHLY REPORT

REPORT PERIOD

November 1 - 30 2017

PREPARED BY

Keith Prestage
Public Works Director

STATUS SUMMARY

List of projects started and/or finished during the month of November.

PROJECT OVERVIEW

TASK	% COMPLETE	NOTES
Waste Water Treatment Plant - debris/tree removal	Ongoing	
Roads & Drainage Repair & preventive maintenance - 3 rd Street & Pine - cleaned canal	100%	
Swing Set Painting & preventative maintenance	100%	
Mowed and trimmed right-of-way locations, fishing pier, parks, public buildings, lift stations, water treatment plants, retention ponds, ditches, and medians.	Ongoing	
Christmas Parade set up & preparation	100%	
SR33 Landscaping & mowing	100%	
Installed "Dog Waste" Disposal Station at Freedom Park (1 of 2 stations)	100%	
Installed signs at Freedom Park " Dog on Leash & Handicapped Parking" signs	100%	



Aquarina Waterworks, Inc.

2517 Elm Circle

Lake Wales, FL 33898

Kevin Burge (772) 708-7946

Keith Burge (772) 201-3299

aquarinawaterworks@bellsouth.net (Kevin Burge)

Burkimwater@aol.com (Keith Burge)

Polk City Polk City Commissioners

October 2017 Utility Operations Summary

Executive Summary

The following points are presented as an overall summary of water and wastewater utility department activities and events that occurred during the month of October, 2017:

- All monthly testing and reports that were due have been completed and turned into the proper regulatory agency.
- Continued to perform daily routine cleaning and maintenance on all the City's lift stations.
- Continued with the weekly monitoring of all the City's generators.
- Met with engineer officials from warehouse project to discuss force main location and pressures.
- We had Central Florida Controls, LLC come in and calibrate all the water meters at the three water plants.
- We had Central Florida Controls, LLC come in and calibrate the meter at the wastewater treatment plant.
- Arranged for the City to purchase a new blower for the Cardinal Hill Wastewater treatment facility to replace the old one that doesn't operate anymore.

Operations and Maintenance Activities

- On 10/9/2017 we repaired a water leak at 5130 Island View Circle.
- On 10/12/2017 we repaired a water leak at 101 Bayberry Drive.
- On 10/16/2017 we repaired a water leak at 8750 Hinsdale Heights.
- On 10/3/2017 we moved the key pad for exit at WWTP closer to the gate.
- On 10/6/2017 we pulled/cleaned pumps at lift stations 10 and 11.
- On 10/10/2017 we pulled pump #3 at voyles loop lift station and tightened impeller.
- On 10/11/2017 we replaced a blown fuse in the call box at the lift station at Ruth Road.
- On 10/13/2017 we pulled/cleaned pumps at lift stations 10 and 11.
- On 10/17/2017 we repaired a leak in the chlorine room at commonwealth WTP.
- On 10/17/2017 we pulled/cleaned pumps at lift station 11.

- On 10/17/2017 we installed a new float hanger in lift station 1.
- On 10/20/2017 we pulled/cleaned pumps at lift station 10 and 11.
- On 10/23/2017 we pulled/cleaned pump #3 at voyles loop lift station.
- On 10/25/2017 we pulled/cleaned pumps at lift stations 10 and 11.
- On 10/27/2017 we met with engineers from warehouse property to check force main pressure.

Miscellaneous Job Order Completions

- 89 turn on/off
- 10 locates
- 16 new meter installs.
- 2 meter register change-outs
- 8 customer service calls
- 50 Meter reads
- 1 Laptop tests

176 total work orders completed during the month of October 2017

Planned November Monthly Activities

- Supervise the planned rehabilitation at the Ruth Road lift station. This project was postponed due to hurricane Irma. Should be completed by the end of November 2017.
- Continue to inspect sanitary sewer lines and manholes.
- Have staff meeting with Aquarina Waterworks, Inc. staff.
- Continue flushing hydrants and exercising water valves
- Continue to look for suspected water infiltration still coming in downstream from Ruth road lift station.



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Polk City Polk City Commissioners

November 2017 Utility Operations Summary

Executive Summary

The following points are presented as an overall summary of water and wastewater utility department activities and events that occurred during the month of November, 2017:

- All monthly testing and reports that were due have been completed and turned into the proper regulatory agency.
- Continued to perform daily routine cleaning and maintenance on all the City's lift stations.
- Continued with the weekly monitoring of all the City's generators.
- Met with Kevin Odom Underground contractor to get him to look at 2 inch line down Berkley. The whole 2 inch water line needs to be replaced. The city needs to obtain quotes for the work.
- The new blower for the Cardinal Hill WWTP has come in at Barney's Pumps. In the process of scheduling Barney's to install the blower.
- Continuing to get with Kevin Odom about completing the LS work at Ruth Road.
- We continue to work on the irrigation spray heads at the SR 33 sprayfield.
- We continue to work on the lift station list to update it with the latest pump information.
- Continuing to schedule work to repair the city's standby generators.

Operations and Maintenance Activities

- 11/16/17 - repaired a water leak at 7182 Berkley Road.
- 11/3/2017 - pulled/cleaned pumps at LS 10 and 11.
- 11/6/2017 - worked on the chlorine contact chamber at Cardinal Hill.
- 11/8/2017 - greased all the fittings on the boom truck.
- 11/9/2017 - pulled/cleaned pumps at LS 10 and 11.
- 11/14/2017 - started working on repairing the irrigation heads at SR 33 sprayfield.
- 11/14/2017 - checked the surge tank pumps and found them to be not working. Tripped starter in panel. It was fixed.
- 11/15/2017 - changed the oil in the well pumps at Matt Williams WTP, Commonwealth WTP, and Mt. Olive WTP.
- 11/16/2017 - repaired a water leak at 4055 Big Bend Road.
- 11/17/2017 - pulled/cleaned pumps at LS 10.
- 11/19/2017 - repaired a water main break at Reuben Circle and Berkley Road.

- 11/20/2017 - repaired a flat tire on the crane truck.
- 11/22/2017 - repaired water main break on Berkley Road.
- 11/22/2017 - pulled/cleaned pumps at LS 10 and 11.
- 11/27/2017 - replaced low level alarm float at Ruth Road.
- 11/29/2017 - repaired broken poles at the Motorcoach LS.

Miscellaneous Job Order Completions

- 68 turn on/off
- 7 locates
- 4 new meter installs
- 12 meter register change-outs
- 7 customer service calls
- 31 Meter reads
- 0 Laptop tests

129 total work orders completed during the month of November 2017

Planned December Monthly Activities

- Supervise the planned rehabilitation at the Ruth Road LS. This project was postponed due to hurricane Irma. Should be completed by the end of December 2017.
- Continue to inspect sanitary sewer lines and manholes.
- Have staff meeting with Aquarina Waterworks, Inc. staff.
- Continue flushing hydrants and exercising water valves
- Continue to look for suspected water infiltration still coming in downstream from Ruth Road LS.



Polk City Commission Agenda Form

Meeting Date: December 18, 2017

Item Number: 1

Subject:	
<p>Resolution 2017-10 - a Resolution amending and restating Resolution 2017-06 and 2017-07, pertaining to the Water and Sewer System Refunding Revenue Bonds, Series 2017</p>	
Department:	
Executive/Legal	
Summary:	
<p>Resolution Amending and Restating Resolution 2017-06; Amending and Restating Resolution 2017-07, Authorizing and Approving the Negotiated Sale of Not to Exceed \$9,500,000 in Aggregate Principal Amount of Polk City, Florida, Water and Sewer System Refunding Revenue Bonds, Series 2017</p>	
Requested Commission Action:	
Approve Resolution 2017-10	
Financial Impact:	
Attachments: X	Supporting Documents Reviewed X
Submitting Department Head:	Date:
Patricia R Jackson, City Manager	12/14/2017
Approved by City Manager:	Date:
Patricia R Jackson, City Manager	12/14/2017
<p>Commission Action: <input type="checkbox"/> Approved as Recommended</p> <p style="padding-left: 100px;"><input type="checkbox"/> Approved with Modifications</p> <p style="padding-left: 100px;"><input type="checkbox"/> Tabled to Time Certain Date: _____</p> <p style="padding-left: 100px;"><input type="checkbox"/> Denied</p>	

RESOLUTION NO. 2017-10

A RESOLUTION AMENDING AND SUPPLEMENTING RESOLUTION NO. 2017-07 OF POLK CITY, FLORIDA REGARDING THE NEGOTIATED SALE OF NOT TO EXCEED \$9,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF POLK CITY, FLORIDA WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2017; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission (the "City Commission") of Polk City, Florida (the "Issuer") enacted Ordinance No. 2017-04 on October 30, 2017 (the "Ordinance") and Resolution No. 2017-06 on October 30, 2017, amending and restating in its entirety Resolution No. 2011-06 (the "Bond Resolution") to authorize the issuance of Polk City, Florida Water and Sewer System Refunding Revenue Bonds, Series 2017 (the "Series 2017 Bonds"); and

WHEREAS, the City Commission previously adopted Resolution No. 2017-07, supplementing the Bond Resolution to provide for certain terms of the Series 2017 Bonds to authorize the negotiated sale thereof (the "Award Resolution"); and

WHEREAS, the City Commission now desires to amend and supplement the Award Resolution as set forth herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF POLK CITY, FLORIDA, AS FOLLOWS:

SECTION 1. Financial Guaranty Insurance. Section 3 of the Award Resolution having previously authorized the Mayor, Vice Mayor or City Manager to determine whether it is in the best financial interests of the Issuer to obtain financial guaranty insurance for some, all or none of the Series 2017 Bonds, and it having been determined that it is in the best financial interests of the Issuer to obtain such insurance for the Series 2017 Bonds (the "Insured Bonds") from Municipal Assurance Guaranty Corp. (the "Insurer"), the authority of the Mayor, Vice Mayor and City Manager to take such further actions (including, without limitation, approval of changes to the documents approved in form in the Award Resolution) and to execute such commitments, agreements, certificates, instruments and opinions as shall be necessary or desirable to procure the issuance of the Financial Guaranty Insurance Policy by the Insurer is hereby expressly ratified and confirmed, and all such actions previously taken by the Mayor, Vice Mayor and City Manager are hereby also ratified and confirmed, including without limitation the execution of the Municipal Bond Insurance Commitment dated November 20, 2017 from the Insurer. The provisions attached hereto as **Exhibit A** shall apply for so long as Insured Bonds remain Outstanding and insured by the Financial Guaranty Insurance Policy. Notwithstanding the foregoing or any of the provisions herein or in the Bond Resolution or Award Resolution to the contrary, all of the rights of the Insurer granted herein and in the Bond Resolution shall be null and void if the Insurer is in default under the Financial Guaranty Insurance Policy; provided, however, that the Insurer shall retain all rights to the extent it has become subrogated to the rights of the Owners of any Insured Bonds.

SECTION 2. Registrar and Paying Agent; Authorization of Execution and Delivery of Registrar and Paying Agent Agreement. The first sentence of the first paragraph of Section 7 of the Award Resolution is hereby amended to provide as follows:

"U.S. Bank National Association, Jacksonville, Florida (the "Registrar and Paying Agent") is hereby appointed Registrar and Paying Agent relating to the Series 2017 Bonds."

All references in the Award Resolution to the Registrar and Paying Agent shall be deemed to refer to U.S. Bank National Association, or to such other entity as the Mayor, Vice Mayor or City Manager may hereafter designate. The Mayor, Vice Mayor and City Manager are each hereby authorized to make such modifications to the form of the Registrar and Paying Agent Agreement previously approved in the Award Resolution as they may, in consultation with Bond Counsel and the City Attorney, deem appropriate.

SECTION 3. Escrow Agent; Authorization of Execution and Delivery of the Escrow Agreement. The first sentence of the second paragraph of Section 7 of the Award Resolution is hereby amended to provide as follows:

"U.S. Bank National Association, Jacksonville, Florida (the "Escrow Agent") is hereby appointed Escrow Agent relating to the Series 2017 Bonds."

All references in the Award Resolution to the Escrow Agent shall be deemed to refer to U.S. Bank National Association, or to such other entity as the Mayor, Vice Mayor or City Manager may hereafter designate. The Mayor, Vice Mayor and City Manager are each hereby authorized to make such modifications to the form of the Escrow Deposit Agreement previously approved in the Award Resolution as they may, in consultation with Bond Counsel and the City Attorney, deem appropriate.

SECTION 4. Reserve Fund and 2017 Reserve Account. Section 4 of the Award Resolution having previously established a separate account of the Reserve Fund designated the "2017 Reserve Account" and authorized the Mayor, Vice Mayor or City Manager to determine the amount of the Reserve Requirement for the Series 2017 Bonds, and it having been determined that it is in the best financial interests of the Issuer to establish a Reserve Requirement in the amount of the initial maximum annual debt service on the Series 2017 Bonds (\$572,725.00) and to fund the Reserve Requirement through the deposit of a Reserve Fund Insurance Policy issued by the Insurer, pursuant to Section 20(B)(2) of the Bond Resolution (the "Reserve Account Policy"), the authority of the Mayor, Vice Mayor and City Manager to take such further actions (including, without limitation, approval of changes to the documents approved in form in the Award Resolution) and to execute such commitments, agreements, certificates, instruments and opinions as shall be necessary or desirable to procure the issuance of the Reserve Account Policy by the Insurer is hereby expressly ratified and confirmed, and all such actions previously taken by the Mayor, Vice Mayor and City Manager are hereby also ratified and confirmed, including without limitation the execution of the Municipal Bond Debt Service Reserve Insurance Commitment dated November 20, 2017 from the Insurer.

SECTION 5. Additional Bond Terms. Interest on the Series 2017 Bonds will be computed in all cases on the basis of a 360-day year of twelve 30-day months. In any case in which an Interest Date or the maturity date of the Series 2017 Bonds or the date fixed for the redemption of any Series 2017 Bonds shall be other than a business day, then payment of interest, principal or redemption price need not be made on such date but may be made on the next succeeding business day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding business day.

SECTION 6. General Authority. The Mayor, Vice Mayor, the City Manager, the City Clerk, the Finance Director, the City Attorney or any other appropriate officers of the Issuer are hereby authorized and directed to execute any and all certifications or other instruments or documents required by the Bond Resolution and the Award Resolution, as herein amended, the Purchase Agreement or any other document referred to above as a prerequisite or precondition to the issuance of the Series 2017 Bonds and any such representation made therein shall be deemed to be made on behalf of the Issuer. All action taken to date by the officers of the Issuer in furtherance of the issuance of the Series 2017 Bonds is hereby approved, confirmed and ratified.

SECTION 7. No Third Party Beneficiaries. Except as may be expressly described herein or in a Supplemental Resolution, nothing in the Bond Resolution or Award Resolution, as supplemented herein, or in the Series 2017 Bonds, expressed or implied, is intended or shall be construed to confer upon anyone of another entity other than the Issuer, the Holders and the Insurer with respect to the Series 2017 Bonds, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision of the Bond Resolution or the Award Resolution, as supplemented herein, or of the Series 2017 Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Holders from time to time and the Insurer with respect to the Series 2017 Bonds.

SECTION 8. Severability. If any one or more of the covenants, agreements or provisions of the Bond Resolution or the Award Resolution, as supplemented herein, shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of the Bond Resolution or the Award Resolution, as supplemented herein, and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof, thereof or of the Series 2017 Bonds issued under the Bond Resolution or the Award Resolution, as supplemented herein.

SECTION 9. No Personal Liability. Neither the members of the City Commission, nor the Mayor, Vice Mayor, City Manager or any officials or employees of the Issuer, nor any person executing the Series 2017 Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 10. Prior Resolutions. All prior resolutions of the Issuer, including without limitation the Bond Resolution and the Award Resolution, except to the extent amended and supplemented herein, are hereby expressly ratified and confirmed and shall remain in full force and effect.

SECTION 11. Effective Date. This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank.]

**RESOLVED, PASSED, AND CERTIFIED AS TO PASSAGE THIS 18th DAY OF
DECEMBER, 2017.**

(SEAL)

ATTEST:

POLK CITY, FLORIDA

By: _____
Patricia Jackson, City Clerk

By: _____
Joseph LaCascia, Mayor

APPROVED AS TO FORM AND LEGALITY:

By: _____
Thomas A. Cloud, City Attorney

EXHIBIT A

PROVISIONS RELATING TO FINANCIAL GUARANTY INSURANCE POLICY

Section 1. Matters Pertaining to the Insurer.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Series 2017 Reserve Account. Notwithstanding anything to the contrary set forth in the Bond Resolution or this Resolution, amounts on deposit in the Series 2017 Reserve Account shall be applied solely to the payment of debt service due on the Series 2017 Bonds.

(b) The Insurer shall be deemed to be the sole Owner of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Insured Bonds are entitled to take pursuant to the Bond Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Issuer. In furtherance thereof and as a term of the Bond Resolution and each Insured Bond, each Owner of the Insured Bonds appoints the Insurer as their agent and attorney-in-fact with respect to the Insured Bonds and agrees that the Insurer may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Insured Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Owner of the Insured Bonds with respect to the Insured Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(c) No grace period for a default pursuant to the Bond Resolution shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(d) Any amendment, supplement, modification to, or waiver of, the Bond Resolution or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Owners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(e) The rights granted to the Insurer under the Bond Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Financial Guaranty Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Insurer.

(f) Notwithstanding anything to the contrary in the Bond Resolution, only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Insured Bonds unless the Insurer otherwise approves.

(i) To accomplish defeasance of the Insured Bonds, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Insured Bonds are no longer "Outstanding" under the Bond Resolution and (iv) a certificate of discharge of the Registrar with respect to the Insured Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Registrar and the Insurer. The Insurer shall be provided with final drafts of the above referenced documentation not less than five Business Days prior to the funding of the escrow.

(ii) Insured Bonds shall be deemed "Outstanding" under the Bond Resolution unless and until they are in fact paid and retired or the above criteria are met.

(g) Amounts paid by the Insurer under the Financial Guaranty Insurance Policy shall not be deemed paid for purposes of the Bond Resolution and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Bond Resolution. The Bond Resolution shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

Section 2. Claims Upon the Financial Guaranty Insurance Policy and Payments to the Insurer.

(a) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Bond Resolution, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Paying Agent shall make a claim under the Financial Guaranty Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by

filling in the form of Notice of Claim and Certificate delivered with the Financial Guaranty Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Insured Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Owner of the Insured Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Financial Guaranty Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Owners of the Insured Bonds referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Financial Guaranty Insurance Policy in trust on behalf of Owners of the Insured Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Owners of the Insured Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections of the Bond Resolution regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Bond Resolution to the contrary, the Issuer agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Financial Guaranty Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Revenues and payable from such Pledged Revenues on a parity with debt service due on the Insured Bonds.

(b) The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency

Proceeding). Each obligation of the Issuer to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(c) From Pledged Revenues, the Issuer shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Bond Resolution or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Bond Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Bond Resolution or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Financial Guaranty Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Bond Resolution or any other Related Document.

(d) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Insured Bonds and amounts required to restore the Series 2017 Reserve Account to the Series 2017 Reserve Requirement.

(e) The Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Financial Guaranty Insurance Policy), whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Financial Guaranty Insurance Policy) or a claim upon the Financial Guaranty Insurance Policy.

(f) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. _____, Telephone: (212) 974-0100; Telecopier: (212) 339 3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(g) The Insurer shall be provided with the following information by the Issuer:

(i) Annual audited financial statements within 180 days after the end of the Issuer's fiscal year (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Bond Resolution), and the Issuer's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Series 2017 Reserve Account within two Business Days after knowledge thereof other than (1) withdrawals of amounts in excess of the Series 2017 Reserve Requirement and (2) withdrawals in connection with a refunding of Insured Bonds;

(iii) Notice of any default known to the Issuer within five (5) Business Days after knowledge thereof;

(iv) Notice of the resignation or removal of the Paying Agent and Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(v) Prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(vi) Notice of the commencement of any Insolvency Proceedings;

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Owners under the terms of the Related Documents.

In addition, to the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Insured Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(h) The Insurer shall have the right to receive such additional information as it may reasonably request.

(i) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Insured Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.

(j) The Paying Agent shall notify the Insurer of any known failure of the Issuer to provide notices, certificates and other information under the Bond Resolution.

(k) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Bond Resolution would adversely affect the security for the Insured Bonds or the rights of the Owners, the Issuer shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Financial Guaranty Insurance Policy.

(l) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(m) The Issuer shall not enter into any interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from the Pledged Revenues without the prior written consent of the Insurer.



Polk City Commission Agenda Form

Meeting Date: December 18, 2017
Item Number: 2

Subject:	
Public Works/Utilities Facility – Consideration of Option Contract for Sale and Purchase of Property known as “Bryant Property”, located at 9835 North State Road 33, Polk City	
Department:	
Executive	
Summary:	
On November 2, 2017, the City Commission authorized the City Manager to bring back a contract proposal from the owner to buy the Bryant Property. A contract has been received and a public notice was advertised in the Ledger as required. The attached contract is being presented for the City Commission’s consideration.	
Requested Commission Action:	
To discuss and make a decision on the purchase of the “Bryant Property”.	
Financial Impact:	
To be determined based on negotiating the contract	
Attachments: X	Supporting Documents Reviewed X
Submitting Department Head:	Date:
Patricia R Jackson, City Manager	12/14/2017
Approved by City Manager:	Date:
Patricia R Jackson, City Manager	12/14/2017
Commission Action:	
<input type="checkbox"/>	Approved as Recommended
<input type="checkbox"/>	Approved with Modifications
<input type="checkbox"/>	Tabled to Time Certain Date: _____
<input type="checkbox"/>	Denied

OPTION CONTRACT FOR SALE AND PURCHASE

THIS OPTION CONTRACT FOR SALE AND PURCHASE (the "Contract") is made as of the Date of this Contract (as defined hereafter) among the following parties:

Buyer: Polk City, Florida
c/o City Manager
123 Broadway Blvd. SE
Polk City, FL 33868

Seller: Irvan Bryant and Joyce Bryant
P.O. Box 1218
Polk City, Florida 33868

Escrow Agent: Robert J. Stanz, P.A.
5121 South Lakeland Drive, Suite 2
Lakeland, Florida 33813

BACKGROUND

Seller is the owner of the Property (as defined in Section 1). Buyer desires to purchase the Property, and Seller desires to sell it to Buyer, subject to and upon the terms and conditions of this Contract. This Contract constitutes an option contract under Section 166.045, Florida Statutes.

AGREEMENT

NOW, THEREFORE, in consideration of the agreements contained herein, the Earnest Money Deposit (as defined in Section 2), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Buyer and Seller (the "Parties") agree as follows:

1. Property. If Buyer holds a public hearing pursuant to Section 166.045, Fla. Stat., and approves this option contract on or before December 20, 2017 Seller agrees to sell, and Buyer agrees to purchase from Seller, the land described on Exhibit "A", located in Polk County, Florida, consisting of approximately 16 acres, more or less, together with any trees and landscaping located thereon and all improvements, structures and fixtures placed now or hereafter constructed or installed on the land, other items of personal property located on the land, and all other tangible and intangible personal property that is used or useful in connection with the subject property, including, without limitation, sewer and water rights, sewer deposits, sewer fees, prepaid impact fees, surveys, studies, test results, plans and specifications, leases, tenant deposits and prepaid rents, permits, utility deposits, architectural, contractor's and manufacturer's warranties, and trade names, trade symbols, trademarks and logos relating to the subject property (collectively, the "Property").

2. Earnest Money Deposit. Buyer shall pay to Escrow Agent the sum of \$1,000.00 by check or wire transfer as earnest money, payable after both parties have executed this Contract. Such sum is hereinafter referred to as the "Earnest Money Deposit". The Escrow Agent shall deposit such Earnest Money Deposit in the Escrow Agent's IOTA account. The Earnest Money Deposit shall be retained or refunded, as the case may be, in accordance with

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the terms of this Contract and shall be applied as a credit against the Purchase Price (as defined in Section 3) at Closing (as defined in Section 6).

3. Purchase Price. The purchase price (the "Purchase Price") of the Property shall be FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$450,000.00).

3.1 Payment of Purchase Price. The Purchase Price for the Property shall be paid at Closing by cashier's check drawn on a local bank or by wired funds, subject to adjustments and prorations. Escrow Agent shall pay over to Seller at Closing the Earnest Money Deposit as a part of this balance.

4. Costs and Prorations.

4.1 Seller shall pay the documentary stamp or transfer tax due on the deed, the cost of the title search, the municipal lien search, the title examination fees, the owner's title insurance premium, and the brokerage commission, if any. Buyer shall pay the cost of recording the deed, and the cost of any surveys, soil tests, inspections, or other testing Buyer obtains. Each Party shall pay its own attorney's fees.

4.2 Ad valorem taxes assessed against the Property for the year in which the Closing occurs shall be prorated as of the day of Closing based on the maximum available discount, if any, for the early payment of taxes. If the proration is not based on the actual tax bill for the year of Closing, the proration shall be based upon the most recent tax bill and shall be adjusted when the actual tax bill is available.

5. Title. Seller shall convey good, marketable and insurable title to the Property to Buyer by general warranty deed, which shall expressly be made subject only to the matters approved or waived by Buyer as set forth below. Without limiting the generality of the foregoing, the Property shall not be subject to any (i) mortgage, security agreement, judgment, lien or claim of lien, or any other title exception or defect that is monetary in nature, or (ii) any leases, rental agreements or other rights of occupancy of any kind, whether written or oral, or (iii) any easement, restriction, zoning, prohibition, or requirement of private parties or governmental authorities that would prevent the use of the Property for its Intended Use as described hereafter. Seller hereby agrees to pay and satisfy of record any such title defects or exceptions prior to or at Closing at Seller's expense. The title shall be subject to current and future ad valorem property taxes. Seller shall at its expense furnish to Buyer, within fifteen (15) days from the Date of this Contract by the parties hereto, a commitment for title insurance covering the Property and issued by a title insurance company acceptable to Buyer with copies of all exceptions contained therein. Such commitment shall agree to issue to Buyer, upon Closing of this transaction, an ALTA Form B, Marketability owner's policy in the full amount of the Purchase Price. Buyer shall have thirty (30) days in which to examine the commitment and to give Notice (as defined hereafter) to Seller of any objections which Buyer may have.

If Buyer fails to give any Notice to Seller by such date, Buyer shall be deemed to have waived this right to object to any other title exceptions or defects. If Buyer does give Seller Notice of objection to any other title exceptions or defects, Seller shall then have the obligation to cure or satisfy such objection within 90 days of such Notice. Seller will, if title is found unmarketable, use diligent effort to correct the defect(s) within the time provided, including the bringing of necessary suits. If the objection is not so satisfied by Seller, then Buyer shall have the right to Terminate (as defined hereafter) this Contract by Notice to Seller, in which case the Earnest Money Deposit shall be returned to Buyer, or take such actions as may be necessary to cure the objection and deduct the cost thereof from the Purchase Price. If Seller does so cure

or satisfy the objection, within the time provided, then this Contract shall continue in effect. Buyer shall have the right at any time to waive any objections that it may have made and thereby preserve this Contract in effect. Seller agrees not to further alter or encumber in any way Seller's title to the Property after the Date of this Contract.

6. Closing. The Closing ("Closing") of the transaction contemplated hereby shall be held in the offices of Escrow Agent or by a mail-away escrow closing at a time and on a date which shall be no less than thirty (30) days after the Inspection Period ends, unless extended pursuant to Section 5 hereof. The exact time, date and place of Closing shall be selected by Buyer by Notice to the Parties at least five (5) days prior to the date so selected, or, if no date is selected, it shall be said 30th day.

7. Broker. Neither Seller nor Buyer has used the services of, or for any other reason owes compensation to, a licensed real estate Broker other than Richard Dempsey, ALC, Coldwell Bankers Commercial, Saunders Real Estate, 114 N Tennessee Avenue, 3rd Floor, Lakeland FL 33801, who is a single agent and will be compensated by Seller.

8. Survey. Seller shall furnish Buyer with copies of all surveys it has on the Property, if any, within ten (10) days of the Date of this Contract. Prior to the Closing, Buyer may have Property re-surveyed at Buyer's expense. If the survey (or re-survey, if applicable) shows any encroachments on the Property, or that improvements on the property located on the Property encroach on setback lines, easements, lands of others, or violate any restrictions, contract, covenants or applicable governmental regulation, or that any gaps exist so that the Property is not contiguous or does not have access, then the same shall constitute a title defect. Buyer shall give Seller Notice of such defect within 30 days of receipt of the survey (or re-survey, if applicable). Thereafter, Seller and Buyer shall proceed under Section 5.

9. Inspection.

9.1 Inspection Period. The inspection period ("Inspection Period") shall commence on the Date of this Contract and terminate on the 60th day following the Date of this Contract.

9.2 Plans and Reports. Seller shall furnish Buyer within 10 days of the Date of this Contract with copies of all permits, environmental reports, wetland studies, wetland determinations, engineering reports, soil studies, master plan agreements, development approvals, concurrency vesting determinations, stormwater management permits, declaration of covenants and restrictions (actual or proposed), property owners association articles of incorporation and by-laws, and similar reports and studies owned or in possession of Seller with respect to the Property. Without limiting the generality of the foregoing, Seller shall furnish Buyer with copies of any environmental management, protection, assessment or impact reports and any permits, certificates of compliance or certificates of non-compliance relating to the Property or the handling, treatment, storage, use, transportation, spillage, leakage, dumping, discharge, disposal or clean-up of any substances or wastes regulated under local, state or federal law or regulation, upon or about the Property whether prepared or obtained by or for Seller, any tenant of the Property, any government agency or authority, or any other person or entity, and any approvals, conditions, orders, declarations and correspondence to or issued by any governmental agency or authority relating thereto which as to any or all of the above. Seller shall immediately deliver to Buyer copies of any of the foregoing that come as received by Seller during the term of this Contract.

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9.3 Inspection. Following advanced notice to Seller, Buyer and Buyer's agents, employees and independent contractors shall have the right and privilege (but not the obligation) to enter upon the Property prior to Closing to survey and inspect the Property and the structures thereon and to conduct soil borings and other geological tests, engineering tests and such other inspections and studies as Buyer may desire, all at Buyer's sole cost and expense. Following advanced notice to Seller, the Buyer and Buyer's agents shall be allowed access to the Property by appointment during normal business hours to inspect the Property and to show the Property to any prospective tenants of the Property. Seller is entitled to receive copies of all inspection reports and studies in the event the transaction does not close.

9.4 Termination and Repairs. If, in its sole discretion, Buyer determines that the Property is not satisfactory for its purposes, or if the Buyer determines that any of Seller's representations or warranties are inaccurate or untrue, Buyer shall have the right to terminate this Contract by written notice delivered to Seller prior to the expiration of the Inspection Period, whereupon the Earnest Money Deposit shall be returned to Buyer and this Contract shall be terminated. In the event Buyer does not notify Seller in writing prior to the expiration of the Inspection Period that Buyer has elected to terminate this Contract, then Buyer shall have waived its right to terminate this Contract pursuant to this Paragraph.

9.5 Indemnity. Buyer hereby covenants and agrees to indemnify and hold harmless Seller from any and all loss, liability, costs, claims, demands, damages, actions, causes of actions, and suits arising out of or in any manner related to the exercise by Buyer of Buyer's rights under this Section 9.

10. Eminent Domain. If, after the Date of this Contract and prior to Closing, Seller receives notice of the commencement or threatened commencement of eminent domain or other like proceedings against the Property or any portion thereof, Seller shall immediately give Notice thereof to Buyer. Buyer shall elect within thirty (30) days by Notice to Seller either (i) to Terminate this Contract, in which event the Earnest Money Deposit shall be refunded to Buyer, or (ii) to close the transaction contemplated hereby in accordance with its terms but subject to such proceedings, in which event the Purchase Price shall not be reduced but Seller shall assign to Buyer Seller's rights in any condemnation award or proceeds. If Buyer does not give Notice timely, Buyer shall be deemed to have elected to close the transaction contemplated hereby in accordance with clause (ii) above.

11. Documents. Seller shall deliver to Buyer at Closing (i) Seller's general warranty deed; (ii) a bill of sale transferring the personal property which is a part of the Property; (iii) possession of the Property; (iv) affidavits sufficient to permit the title company to issue the owner's title policy without standard exceptions for construction, mechanic's, materialmen's, or other statutory liens or rights of parties in possession; (v) estoppel letters with respect to any contracts being assumed; (vi) affidavits or other appropriate resolutions authorizing the sale; and (vii) reasonable evidence that Seller is not a foreign person against whom withholding is required under the Internal Revenue Code, and such other documents as may be required to perfect the conveyance of the Property to Buyer.

12. Default and Remedies. If Buyer fails or refuses to perform its obligations under this Contract, and such failure or refusal is not cured within twenty (20) days after Notice from Seller, then the Seller may as its sole and exclusive remedy have the Earnest Money Deposit as full liquidated damages. The Parties hereby acknowledge the difficulty of ascertaining Seller's actual damages in such circumstance and agree that the Earnest Money Deposit represents a good faith resolution thereof. If Seller fails or refuses to convey the Property in accordance with the terms of this Contract or otherwise perform its obligations hereunder, and such failure or

refusal is not cured within twenty (20) days after Notice from Buyer, then Buyer shall have the right to seek specific performance, or elect to receive the return of the Earnest Money Deposit without thereby waiving any action for damages resulting from Seller's breach.

13. Seller's Agreements. Seller warrants, represents and agrees that:

13.1 Seller is the owner of the Property free and clear of all liens and encumbrances.

13.2 That no one is in possession of any portion of the Property except Seller.

13.3 The Seller is not subject to any rule, agreement or restriction of any kind or character which would prevent the consummation of this Contract. This Contract has been validly authorized, executed and delivered by Seller and constitutes a valid and binding obligation of Seller in accordance with its terms.

13.4 Seller represents and warrants that, to their knowledge (i) there are no hazardous materials in violation of any environmental laws located on the Property, and (ii) the Property is not listed or formally proposed for listing under CERCLA, the Comprehensive Environmental Response, Compensation Liability Information System ("CERCLIS") or on any similar state list that is the subject of federal, state, or local enforcement actions or other investigations that may lead to claims against Seller for clean-up costs, remedial work, damages to natural resources, or for personal injury claims, including, but not limited to, claims under CERCLA, and (iii) there is no reasonable basis for Seller to be named in such claims or for any similar action to be brought against Seller, and (iv) neither the Property, nor the use or operation thereof by Seller, violates any land use, environmental, hazardous or regulated material and/or waste handling, storage, treatment, disposal or discharge laws or other laws, building codes, zoning or other ordinances, rules or regulations, fire insurance regulations, or covenants, conditions and restrictions whether federal, state, local or private; and (v) there exists no violation of any covenants or agreements of any kind with tenants, or with any governmental jurisdiction or private party purporting or acting to restrict in any way the individual use of the Property; and (vi) neither the Property nor the present operation and use, constitute an illegal use under any zoning or land use law or regulation, and none of the foregoing is the subject of any variance pursuant to any zoning or land use law or regulation; and (vii) there has not occurred upon or about the Property, any spillage, leakage, discharge or release into the air, soil or groundwater of any hazardous or regulated materials or wastes.

13.5 Seller has received no notice and has no knowledge of any pending or contemplated proceedings (i) to modify or amend any building code or zoning or land use law or regulation or development order which affects the Property; (ii) to impose any special assessment against or upon the Property or any portion thereof; (iii) to condemn the Property or any portion thereof; (iv) to modify, amend, suspend, revoke or terminate any environmental, occupancy, use, operating or other permit issued or pending in connection with the Property, or the occupancy, use of operation thereon of any tenant thereon; or (v) with respect to any environmental, hazardous or regulated material violation affecting the Property.

13.6 The representations and warranties in this Section 13 shall survive the Closing.

14. Risk of Loss. Seller shall bear all risk of casualty loss to Property occurring prior to Closing and shall maintain in full force and effect all hazard insurance now in force and insuring Property against loss and damage or destruction through the Closing Date. In the

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event of any damage or destruction to any of the improvements on Property prior to Closing, not restored by Closing, Buyer shall have the option to either:

14.1 Rescind this Contract; or

14.2 Close this transaction and be entitled to receive the full amount of any proceeds of such insurance payable on the account of loss, damage, or destruction.

In the event Buyer elects to close this transaction under subsection 14.2 of this Section, any loss shall be settled with the insurers only with the written consent of Buyer, and, if at Closing there shall be any losses which shall not have been settled or adjusted, Seller shall transfer and assign the insurance claim to Buyer, and this transaction shall be consummated in the same manner as if there had been no damage or destruction to Property. The determination of the insurance adjuster for the respective insurance carrier regarding the extent of such loss shall be determinative as between Buyer and Seller relative to the value placed on such loss. Buyer acknowledges that the payment of insurance proceeds shall be subject to the rights of Seller's mortgage lender.

15. Leases. The Property is not leased to anyone.

16. Conditions to Buyer's Obligations. The Buyer's obligations under this Contract are, at the option of Buyer, subject to conditions at Closing that:

16.1 The Seller has fulfilled all the terms and conditions required to be fulfilled by Seller hereunder.

16.2 Seller's representations and warranties contained in this Contract shall, as a condition to Closing, be true at the time of Closing as though such representations and warranties were made at such time.

16.3 The Buyer has scheduled, advertised, and held a public hearing in accordance with Section 166.045, Florida Statutes, during which the City Commission has approved and ratified this Contract.

17. Notice. Wherever in this Contract it shall be required or permitted that notice, request, consent, or demand be given by either party to this Contract to or on the other (hereafter collectively "Notice" for the purpose of this Section), such Notice shall not be deemed to have been duly given unless in writing, and either personally delivered, mailed, sent by overnight commercial delivery service or telecopied to the addresses for the parties as set forth on Page 1 of this Agreement.

Counsel for the parties set forth herein may deliver or receive notice on behalf of the parties.

Any Notice sent by United States Mail, registered or certified, postage prepaid, return receipt requested, shall be deemed received three days after it is so mailed. All other Notices shall be deemed delivered only upon actual delivery at the address (or telecopy number) set forth herein. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day shall be regarded as delivered on the next business day. Saturdays, Sundays and legal holidays of the United States government (when the U.S. Post Office in Orlando, Florida is closed) shall not be regarded as business days.

If any time for giving Notice or other time period contained in this Contract would otherwise expire on non-business day, the Notice period shall be extended to the next succeeding business day. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in address or telecopy number or addresses to whom copies are to be sent to which Notices shall be sent by six (6) days written notice to the parties and addressees set forth herein.

When any period of time prescribed herein is less than six (6) days, intermediate non-business days shall be excluded in the computation.

All notices given pursuant to this Contract from Seller to Buyer or from Buyer to Seller shall be effective if executed and sent by counsel for the respective party.

18. Assignment of Contract by Buyer. Buyer may not assign this Contract.

19. Time of Essence. Time is of the essence of this Contract.

20. Entire Agreement. This Contract constitutes the entire agreement of the Parties and may not be amended except by written instrument executed by Buyer and Seller.

21. Interpretation.

21.1 The Section headings are inserted for convenience only and are in no way intended to interpret, define, or limit the scope or content of this Contract or any provision hereof. If any Party is made up of more than one person or entity, then all such persons and entities shall be included jointly and severally, even though the defined term for such Party is used in the singular in this Contract. If any right of approval or consent by a Party is provided for in this Contract, the Party shall exercise the right promptly, in good faith and reasonably, unless this Contract expressly gives such Party the right to use its sole discretion.

21.2 If any time period under this Contract ends on a day other than a Business Day (as hereinafter defined), then the time period shall be extended until the next business day. The term "Business Day" shall mean Monday through Friday excluding legal holidays recognized by the United States government when the U.S. Post Office in Orlando, Florida is closed.

22. Attorney's Fees. In any litigation arising out of this Contract, the prevailing party shall be entitled to recover attorney's fees and costs.

23. Survival.

23.1 The provisions of this Contract shall survive Closing unless and to the extent expressly provided otherwise.

23.2 The provisions of this Contract concerning disbursement of the Earnest Money Deposit, brokerage commissions, Buyer's entering upon the Property and any others expressly so indicated shall survive Termination.

24. Termination. "Terminate" or "Termination" shall mean the termination of this Contract pursuant to a right to do so provided herein. Upon Termination, the Earnest Money Deposit and all interest earned thereon shall be returned to Buyer if this Contract has been terminated by Buyer pursuant to a right of Buyer to terminate as provided herein. If this

Contract has been terminated by Seller pursuant to a right of Seller to terminate provided herein, the interest on the Earnest Money Deposit shall be disbursed to Buyer and the Earnest Money Deposit shall be disbursed as provided herein, and the Parties shall have no further rights or duties under this Contract except as expressly provided herein.

25. Possession. Seller shall vacate and deliver actual Possession of Property no later than sixty (60) days after Closing, free and clear of all tenancies.

26. Applicable Law. This Contract shall be construed and interpreted in accordance with the laws of the State of Florida.

27. Persons Bound. This Contract shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns as provided herein.

28. Exhibits. The exhibits and schedules referred to in and attached to this Contract are incorporated herein in full by reference.

29. Escrow Agent. In performing any of its duties hereunder, the Escrow Agent shall not incur any liability to anyone for any damages, losses or expenses, except for willful default or breach of trust, and it shall accordingly not incur any such liability with respect (i) to any action taken or omitted in good faith upon advice of its counsel or (ii) to any action taken or omitted in reliance upon any instrument, including any written notice or instruction provided for in this Contract, not only as to its due execution and the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which the Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person or persons and to conform with the provisions of this Contract. The Escrow Agent is hereby specifically authorized to refuse to act except upon the written consent of Seller and Buyer. Seller and Buyer hereby agree to indemnify and hold harmless the Escrow Agent against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation and counsel fees and disbursements, which may be imposed upon the Escrow Agent or incurred by the Escrow Agent in connection with its acceptance or the performance of its duties hereunder, including any litigation arising from this Contract or involving the subject matter hereof. In the event of a dispute between Seller and Buyer sufficient in the discretion of the Escrow Agent to justify its doing so, the Escrow Agent shall be entitled to tender into the registry or custody of any court of competent jurisdiction all money or property in its hands under this Contract, together with such legal pleadings as it deems appropriate, and thereupon be discharged from all further duties and liabilities under this Contract. Any such legal action may be brought in such court as the Escrow Agent shall determine to have jurisdiction thereof. Seller and Buyer shall bear all costs and expenses of any such legal proceedings. Each Party agrees that the mere fact that Escrow Agent shall serve as Escrow Agent hereunder shall not disqualify said Escrow Agent or any of its individual attorneys from representing any party to this transaction.

30. Proposal of Option Contract, Acceptance, Approval and Ratification by City Commission, and Contract. This document shall constitute an option contract, which is a proposed agreement by a municipality to purchase a piece of property, subject to the approval of the local governing body at a public meeting. The transmittal of this option contract is open for acceptance by Seller until December 31, 2017. Seller agrees to immediately provide to Buyer a complete counterpart of this Contract signed by Seller. Seller's acceptance of this proposed option contract shall become an irrevocable offer subject to acceptance in accordance with Section 166.045, Fla. Stat., by the City Commission. This option contract shall become a binding contract upon presentation to, approval of and ratification by the Polk City Commission,

which ratification must occur on or before December 20, 2017. As used herein, the phrase "Date of this Contract" shall mean December 20, 2017. Acceptance of the proposed option contract by Seller shall be immediately communicated to Buyer. Buyer shall likewise immediately communicate approval and ratification of the acceptance to Seller. Each person signing below represents and warrants that he or she is fully authorized to execute and deliver this Contract in the capacity set forth beneath his or her signature. The Buyer will not be under any obligation to exercise the option and purchase the Property unless this option contract is approved by the governing body at the public hearing specified in section 166.045, Fla. Stat.

31. Contingencies.

31.1 Use of Property. The Contract is contingent upon the Buyer being able to use the Property for public works, utilities, and similar related uses.

32. FIRPTA Affidavit. Seller represents and warrants to Buyer that Seller is not a "foreign person," as defined in the Federal Foreign Investment in Real Property Tax Act ("FIRPTA"). At closing, Seller shall execute and deliver to Buyer a "Non-Foreign Certificate," in form and substance satisfactory to Buyer which shall state, among other items, the taxpayer identification number of Seller and that Seller is not a foreign person, as defined by FIRPTA. Seller acknowledges that in the event Seller fails to deliver the Non-Foreign Certificate, the Buyer shall then be authorized to withhold from the closing proceeds an amount equal to ten (10%) percent of the gross amount of the Purchase Price and to remit the same to the Internal Revenue Service, as required by FIRPTA. Seller does hereby forever release and discharge Buyer from all liabilities resulting from, or arising out of, Buyer's good faith compliance with the requirements of FIRPTA. Further, Seller hereby agrees to indemnify, defend and hold harmless Buyer and Buyer's attorneys, GrayRobinson, P.A., in connection with any loss, cost, damage or expense, including attorneys fees and court costs, and including such costs on appeal, incurred by Buyer or Buyer's attorneys because of Seller's noncompliance with the requirements of FIRPTA, which indemnifications shall survive the closing of this transaction.

33. Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

34. Counterparts; Facsimiles and Electronic Signatures. The Contract and any Addendum may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Facsimile and electronic signatures on the Contract and any Addendum shall be considered the same as original signatures for all purposes.

[SIGNATURE PAGE FOLLOWS NEXT.]

THE PARTIES have set their hands and seals hereto as of the day and year indicated below their signatures.

BUYER:

POLK CITY, FLORIDA, a municipal corporation of the State of Florida

ATTEST:

By: _____
Patricia Jackson, City Clerk

By: _____
Joseph L. LaCascia, Mayor

Reviewed as to form and legal sufficiency

Thomas A. Cloud, City Attorney

Date: _____

SELLER: IRVIN BRYANT

Irvin P. Bryant

Joyce C. Bryant

Date signed by Seller: 11/01/17, 2016

SELLER: JOYCE BRYANT

Date signed by Seller: _____, 2016
ESCROW AGENT:

ROBERT J. STANZ, P.A.

By: _____

Date signed by Escrow Agent: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL PROPERTY

Parcel #1:

That part of the Southeast 1/4 of the Northwest 1/4 of Section 31, Township 26 South, Range 25 East, lying South and East of right of way for State Road No. 33, more fully described as follows: Begin at the Southeast corner of said Southeast 1/4 of the Northwest 1/4, run thence North 01°09'08" East along the East line of said Southeast 1/4 of the Northwest 1/4 a distance of 153.0 feet more or less to the Southeasterly right of way line of State Road No. 33, run thence Southwesterly along said right of way line a distance of 605.0 feet more or less to the intersection with the South line of said Southeast 1/4 of the Northwest 1/4, run thence North 88°21'15" East along the South line of said Southeast 1/4 of the Northwest 1/4 a distance of 581.09 feet to the point of beginning;

Property Appraiser's Parcel No.: 25-26-31-000000-032010

Site Location: 0 U.S. Highway 33, Polk City, FL 33868

And

Parcel #2:

The North 1/2 of the Northeast 1/4 of the Southwest 1/4 of Section 31, Township 26 South, Range 25 East, LESS 200 feet off the Northwest side thereof for right of way of State Road 33.

Property Appraiser's Parcel No.: 25-26-31-000000-041010

Site Location: 9835 N. State Rd. 33, Polk City, FL 33868

J. P. B.
J. C. B.



Polk City Commission Agenda Form

Meeting Date: December 18, 2017
Item Number: 3

Subject:	
Refinancing of USDA Loan – Approval of Loan Documents and authorization to Close the Loan.	
Department:	
Executive/Legal	
Summary:	
<p>On November 20, 2017 the City Commission adopted Ordinance 2017-06 on second and final reading authorizing the borrowing of not to exceed \$1,400,000 from Citizens Bank & Trust for the purpose of refunding Capital Improvement Revenue Bonds, Series 2007. It is now time to approve the loan documents and to approve authorization to close the loan. Attorney Cloud has reviewed the documents and find them to be in order.</p>	
Requested Commission Action:	
Approve the Loan Documents and authorization to Close the Loan with Citizens Bank for the refunding of Capital Improvement Revenue Bonds, Series 2007.	
Financial Impact:	
Attachments: X	Supporting Documents Reviewed X
Submitting Department Head:	Date:
Patricia R Jackson, City Manager	12/14/2017
Approved by City Manager:	Date:
Patricia R Jackson, City Manager	12/14/217
Commission Action: <input type="checkbox"/> Approved as Recommended <input type="checkbox"/> Approved with Modifications <input type="checkbox"/> Tabled to Time Certain Date: _____ <input type="checkbox"/> Denied	

LOAN AGREEMENT

This LOAN AGREEMENT (the "Agreement") is made and entered into this ____ day of December, 2017, by and between POLK CITY, FLORIDA, a municipal corporation under the laws of Florida, (the "Borrower" and the "City"), and CITIZENS BANK AND TRUST, a Florida corporation (the "Bank").

RECITALS

A. Borrower has made application for a loan in the amount of **\$1,371,789.00** from Bank (the "Loan") to refund the Series 2007 Bonds issued by the City, to be secured by the property described herein.

B. The Bank is willing to provide to Borrower the Loan upon the terms and conditions set forth in this Agreement.

C. The Borrower and Bank believe it to be in their best interest to set forth their complete understanding of the terms and conditions of the Loan as set forth herein.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Definitions. For the purpose of this Agreement, the following terms shall have the respective meanings specified in this Section 1.01:

"Code" shall mean the Uniform Commercial Code of the jurisdiction with respect to which such term is used, as in effect from time to time.

"Collateral" means and includes all of the Borrower's right, title and interest in and to each of the following, wherever located and whether now or hereafter existing or now owned or hereafter acquired or arising:

- (a) All revenues of the City's communications service tax and the City's half-cent sales tax (the "Pledged Revenues").
- (b) All accessions to, substitutions for and replacements, products and proceeds of any of the foregoing.

"Credit Parties" shall mean (i) Borrower and (ii) any other person or entity, if any, that is obligated for the repayment of any portion of the Loan.

“ERISA” means the Employee Retirement Income Security Act of 1974, as in effect from time to time.

“Indebtedness” or “Debt” shall mean all liabilities of a Credit Party including (i) all obligations or borrowed money, (ii) obligations evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (iii) all obligations of conditional sale or other title retention agreements relating to property purchased by any Credit Party (other than customary reservations or retentions of title under agreements with suppliers entered into in the normal course of business), (iv) all obligations under take-or-pay or similar agreements or under commodities agreements, (v) all indebtedness of others secured by any lien on, or payable out of the proceeds of production from, property owned or acquired by any Credit Party, whether or not the obligations secured thereby have been assumed, (vi) all guarantee obligations, (vii) the principal portion of all obligations under capital leases, (viii) the maximum amount of all standby letters of credit issued or banker’s acceptance facilities created and, without duplication, all drafts drawn thereunder (to the extent unreimbursed), and (ix) all preferred stock or other equity interests issued and required by the terms thereof to be redeemed, for which mandatory sinking fund payments are due by a fixed date.

“Loan” shall mean the Loan in the amount of **\$1,371,789.00** evidenced by the Note.

“Maturity Date” shall mean the date the Note matures, being **fifteen (15) years** from the date of the Note.

“Obligations” with respect to the Borrower, shall mean, individually and collectively, all payment and performance duties, obligations and liabilities of the Borrower to the Bank, however and whenever incurred, acquired or evidenced, whether primary or secondary, direct or indirect, absolute or contingent, sole or joint and several, or due to become due, including, without limitation, all such duties, obligations and liabilities of the Borrower to the Bank, under and pursuant to this Loan and the Loan Documents, and all renewals, modifications or extensions of any thereof. The term includes, without limitation, all interest, charges, expenses, reasonable attorney’s fees and any other sums chargeable to Borrower under any of the Loan Documents or any other agreement with Lender, or any affiliate of Lender.

“Person” means an individual or an entity.

“Promissory Note” or “Note” shall mean the Promissory Note executed contemporaneously herewith in the amount of **\$1,371,789.00** including any future advances, renewals, modifications or extensions thereof.

“Security Agreement” shall mean a security agreement securing the Note, which upon recordation shall constitute a first lien on the Collateral. The Security Agreement shall secure the repayment of the Loan to the extent advanced, any additional construction disbursements under the Note, and future advances under the Note, together with interest and all amounts specified in the Note and Security Agreement.

“Secured Obligations” means:

- (a) the Loan;
- (b) all Obligations of the Borrower to the Bank of every kind, nature and description, under or in respect of this Loan or any other Loan Document, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note, including all future advances; and
- (c) any other indebtedness and all other obligations of the Borrower to the Bank, which may be made subject to this Agreement, and all future advances made to the Borrower by the Bank, however and whenever created, arising or evidenced, whether direct or indirect, through assignment from third parties, whether absolute or contingent, or otherwise, now or hereafter existing or due or to become due, including, without limitation, obligations under all guaranties, letters of credit and overdrafts.

“UCC” shall mean the Florida Uniform Commercial Code, Chapters 671 to 680, inclusive.

Section 1.03 Other Definitional Provisions. Other terms shall be defined within the body of this Agreement, as indicated herein. All of the terms defined in this Agreement shall have such defined meanings when used in other documents issued under, or delivered pursuant to this Agreement unless the context shall otherwise require. All terms defined or used in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa. The masculine and neuter genders shall include the masculine, feminine and neuter as well. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the heirs, devisees, personal representatives, successors and assigns of such party unless the context shall expressly provide otherwise.

ARTICLE II

AMOUNTS AND TERMS OF THE LOAN

Section 2.01. Loan. Upon the terms and subject to the conditions of, and in reliance upon the representations and warranties made under this Agreement, the Bank agrees to advance to the Borrower the amount of **\$1,371,789.00** to refund the Series 2007 Bonds issued by the City, which shall be payable according to the provisions contained in the Note.

Section 2.02. Payment of Note. The Borrower shall pay the Note together with interest at the Interest Rate, pursuant to the terms set forth in the Note.

Section 2.03. Advance of Loan Proceeds on the Loan. So long as the Borrower is not in default under the terms of this Agreement or any of the Loan Documents beyond any applicable notice and cure periods, upon the Borrower's satisfaction of all of the conditions set forth in this

Agreement, the Bank agrees to make disbursements to the Borrower of the proceeds of the Loan to refund the Series 2007 Bonds issued by the City up to the remaining principal balance of the Note in accordance with the provisions of this Agreement.

Section 2.04. Place of Payment. All payments by the Borrower under the Loan Documents shall be made to the Bank at any branch of the Bank, or at such other place as the Bank may direct, in lawful money of the United States of America and in immediately available funds.

Section 2.05. Application of Payments and Collections. Borrower irrevocably waives the right to direct the application of any and all payments and collections at any time or times hereafter received by Bank from or on behalf of Borrower, and Borrower irrevocably agrees that Bank shall have the continuing exclusive right to apply and reapply any and all such payments and collections against the then due and payable Obligations, in such order and in such manner as Bank may deem advisable, notwithstanding any entry by Bank upon any of its books and records. Bank is authorized to and at its option may make advances on behalf of Borrower for payment of all fees, expense, charges, costs and interest incurred by Borrower. Such advances shall be made when and as Borrower fails to promptly pay such fees, expenses, charges, costs and interest and, at Bank's option and to the extent permitted by law, shall be deemed credit advances constituting part of the Loan hereunder.

Section 2.06. Prepayment Fees. Borrower shall have the right at any time to prepay the Loan, and all Obligations hereunder in full and simultaneously terminate this Agreement without any penalty or prepayment fee.

Section 2.07. Use of Proceeds. Borrower shall use the proceeds of the Loan to refund the Series 2007 Bonds issued by the City.

Section 2.08. Indemnity. Borrower shall indemnify and hold Bank harmless from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including, without limitation, reasonable attorneys' fees and disbursements, including those incurred upon any appeal) which may be incurred by or asserted against Bank as the result of its having entered into any of the Loan Documents or extended credit hereunder, other than (i) by and between the parties hereto, or (ii) resulting from the gross negligence or willful misconduct of Bank or its agents, employees, officers, contractors, subcontractors, licensees.

Section 2.09. Access. Bank (by any of its officers, employees and/or agents) shall have the right, exercisable as frequently as Bank determines in its commercially reasonable discretion to be reasonably appropriate, upon reasonable notice, to inspect, audit and make extracts from all of Borrower's records, files and books of account. Borrower shall instruct its banking and other financial institutions to make available to Bank such information and records as Bank may reasonably request. Bank shall hold in confidence Borrower's proprietary information obtained pursuant to this Agreement and shall not disclose the same to any third party except: (i) as required by law or by judicial or administrative process or to appropriate regulatory authorities; (ii) as such information is or becomes public knowledge by means not in breach of this

paragraph; or (iii) to the extent that Bank, in its sole discretion, upon and Event of Default under the Loan Documents, needs to disclose such information to agents or professional it retains to recover the Obligations arising hereunder from Borrower.

ARTICLE III
INTEREST, FEES AND OTHER PROVISIONS

Section 3.01. Interest on Loan.

(a) The Loan shall accrue interest at the rate of **3.4%** per annum (the "Interest Rate"), on the unpaid principal amount of the Loan drawn and outstanding. Interest on the Note shall be computed on a 365/360 basis, and shall be bank-qualified tax-exempt debt under Section 265 of the Internal Revenue Code.

(b) If any payment on the Loan becomes due and payable on a day other than a Bank business day, the maturity thereof shall be extended to the next succeeding Bank business day and, with respect to payments or principal, interest thereof shall be payable at the applicable Interest Rate during such extension and shall be included in the following month's payment. For purposes of this paragraph, "Bank business day" shall mean all weekdays (i.e. Monday through Friday) except Federal Holidays or other weekdays that the Bank chooses to close to the public.

(c) If the Borrower shall fail to pay when due (whether upon demand, at maturity, by reason of acceleration or otherwise) all or any portion of the principal of, or interest on, any Loan, such unpaid amount shall no longer bear interest in accordance with the terms of Section 3.01(a) but shall bear interest (calculated on the basis of a year of 365 days and the actual number of days elapsed) for each day from the date it was so due until paid in full at the maximum rate allowable by law.

Section 3.02. Loan Commitment Fee. The Bank and the Borrower hereby agree that the Borrower shall pay the Bank a loan commitment fee of **\$5,000.00** in connection with the Loan. Nothing herein contained shall prevent the Bank from charging an additional loan commitment fee for any renewal, modification or future loan with Borrower.

Section 3.03. Other Fees and Costs. The Borrower shall pay all other reasonable fees and costs related to this loan, including, but not limited to, applicable documentary stamp taxes and intangible taxes, recording fees, filing fees, UCC searches, title insurance costs, appraisal fees, survey costs, reasonable attorney fees, and any other reasonable additional costs incurred by the Bank connected with this loan.

ARTICLE IV
CONDITIONS TO CLOSING

Section 4.01. Loan Documents. Subject to Borrower's compliance with the terms of this Agreement, Bank shall lend the principal sum to Borrower in accordance with the terms hereof. The Bank's obligation to make any disbursements hereunder is expressly conditioned on the

Borrower, executing and delivering, or causing to be executed and delivered, to Bank the following documents (the "Loan Documents"), as applicable, all in form satisfactory to Bank, and its counsel, along with such other documents or instruments as may reasonably be required by Bank or its counsel, including the following:

(a) Note. The Note payable to the order of Bank in the principal amount of \$1,371,789.00, which shall bear interest, on amounts disbursed hereunder, at the rate set forth therein.

(b) Security Agreement. The Security Agreement encumbering the Collateral which upon recordation shall constitute a first lien on the Collateral. The Security Agreement shall be in a form satisfactory to Bank and shall be subject only to those exceptions and matters satisfactory to Bank in Bank's commercially reasonable discretion.

(c) UCC-1 Financing Statements. If applicable and required by Bank, UCC-1 Financing Statements (state and local) covering the Collateral, and such other documents as will insure Bank a perfected first security interest in and to said Collateral.

(d) Borrowing Authority Documents. Documents evidencing the necessary authorization of all actions taken by the Borrower in connection with the Loan and the execution of the Loan Documents, including, but not limited to a resolution, ordinance and/or meeting minutes approving this Loan by the Borrower.

(e) Attorney Opinion Letter. Opinion of counsel for the Borrower to Bank and Counsel for the Bank opining to the following:

1. The City is a municipality of the State of Florida, duly organized and validly existing and has full legal right, power and authority to adopt and perform its obligations under the Resolution, and to authorize, execute and deliver and perform its obligations under the Note and the Loan Documents.
2. The City has duly adopted Ordinance No. 2017-05 (the "Ordinance") at a duly called public meeting following proper public notice. The Note and the Loan Documents have been duly executed and delivered.
3. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of my knowledge after due inquiry, threatened, against the City, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Note or the covenant to budget and appropriate the Pledged Revenues or pledge of a lien on the Pledged Revenues, or contesting or affecting as to the City the validity or enforceability in any respect of the Note, the Ordinance or the Loan Documents, or contesting the exclusion from gross income of interest on the Note, or contesting the powers of the City and City Commission or any authority for the issuance of the Note, the adoption of the Ordinance or execution and delivery of the Loan Documents.

4. The adoption of the Ordinance, execution and delivery of the Loan Documents and the authorization, execution and delivery of the Note and compliance with the provisions thereof will not conflict with, or constitute a material breach of or default under, any law or administrative regulation, or, to the best of my knowledge, any consent decree, ordinance, resolution or any agreement or other instrument to which the City was or is subject, as the case may be, nor will such enactment, adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Ordinance.
5. All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the City of its obligations under the Ordinance, the Loan Documents and the Note have been obtained and are in full force and effect.
6. The City is lawfully empowered to covenant to budget and appropriate the Pledged Revenues and pledge the Pledged Revenues in the manner and to the extent provided in the Ordinance for payment of the principal of and interest on the Note and all other amounts owing thereunder as the same becomes due and payable.
7. The City is empowered to refinance the obligations of the City evidenced by its Series 2007 Bonds pursuant to the conditions of Ordinance No. 1087 and Resolution No. 2007-07, and to pay costs related thereto.
8. Neither the corporate existence nor the title of any of the present City Commission members and officials thereof to their respective offices is being contested.
9. The City has complied with all conditions contained in ordinances and resolutions of the City precedent to the issuance of the Note.
10. All Loan Documents and instruments required to be delivered have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms, subject to any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the right of creditors generally.
11. The lien of the Security Agreement, being one of the Loan Documents, is a valid first lien on the Pledged Revenues and such Pledged Revenues are not subject to any other lien or encumbrance, and the security interests described in the Financing Statements are good and valid security interests and not subject to any purchase money security interests.
12. The Note is a "qualified tax exempt obligation" within the meaning of Section 265(b)(3) of the Code. Interest on the Note is excludable from gross income for federal income tax purposes.

13. The Note is not subject to the registration requirements of the Securities Acts of 1933, as amended, and it is not necessary to register the Ordinance pursuant to the Trust Indenture Act of 1939, as amended.

14. Such other matters as Bank may reasonably require.

(f) Additional Documentation. Such other documentation as the Bank may reasonably require (in form and substance reasonable to Borrower and consistent with terms and conditions contained herein).

ARTICLE V

COLLATERAL SECURITY

Section 5.01. Security Agreement. To secure the payment, observance and performance of the Note by the Borrower, the Borrower hereby mortgages, hypothecates, grants a security interest in, and pledges and assigns the Collateral to the Bank and grants to the Bank a continuing mortgage and security interest in, and continuing lien upon the Collateral.

Section 5.02. Perfection of Security Interests.

(a) If applicable and necessary to perfect Bank's interest in any of the Collateral, Borrower authorizes Bank to file a financing statement (state and local) describing the Collateral to perfect the security interest of the Bank, without the signature of the Borrower.

(b) Upon request by Bank, it shall receive prior to the Closing an official report from the Secretary of State of each state in which the Collateral and/or the Borrower is located, indicating that Bank's security interest is prior to all other security interests or other interests reflected in the report except as to those matters of record as of the date hereof.

Section 5.03. Continued Priority of Security Interest.

(a) The security interest granted by the Borrower under the Security Agreement shall at all times be valid, perfected and enforceable against the Borrower and all third parties in accordance with the terms of this Agreement as security for the Note and shall not at any time be subject to any liens that are prior to, on a parity with or junior to the security interests created herein, except in favor of the Bank.

(b) The Borrower shall, at its sole cost and expense, take all action that may be necessary or desirable, or that the Bank may reasonably request, so as at all time to maintain the validity, perfection, enforceability and rank of the security interest in the Collateral to enable the Bank to exercise or enforce its rights hereunder.

(c) The Bank is hereby authorized to file one or more financing or continuation statements or amendments thereto without the signature of or in the name of the Borrower. A

carbon, photostatic or other reproduction of this Agreement or any other security documents or any other financing statement filed in connection with this Agreement is sufficient as a financing statement, to the extent permitted by applicable law.

Section 5.04. Borrower Remains Liable. Notwithstanding anything contained in this Agreement to the contrary, (a) the Borrower shall remain liable under any contracts and agreements with respect to the Collateral to the extent set forth thereto to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Bank of any rights under this Agreement or any of the other Loan Documents shall not release the Borrower from any of its duties or obligations under the contracts and agreements with respect to the Collateral, and (c) the Bank shall not have any obligation or liability under the contract and agreements with respect to the Collateral by reason of this Agreement or any of the other Loan Documents obligate Bank to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 5.05. Bank May Perform. If the Borrower fails to perform any agreement contained herein, the Bank may itself perform, or cause performance of such agreement, without the obligation to do so, and the reasonable cost and expense of the Bank incurred in connection therewith shall be payable by the Borrower on demand.

Section 5.06. Other Instruments. The Borrower will: (a) join with the Bank in executing collateral assignments, security agreements, financing statements, mortgages and such instruments of security, including amendments thereto and continuations thereof, to perfect the Bank's lien and security interest in the Collateral in form commercially reasonable to the Bank, as the Bank may from time to time specify; (b) pay or reimburse the Bank for all reasonable costs and taxes of filing or recording the same in such public offices as the Bank may designate and reasonably satisfactory to the Borrower and consistent with the terms and conditions herein; and (c) take such other steps as the Bank may direct, including the noting of the Bank's lien on the Collateral, to perfect the Bank's lien on the Collateral.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to enter into this Agreement and to make the Loan, the Borrower, make the following representations and warranties, all of which shall survive the execution and delivery of this Agreement and the making of the Loan and shall be deemed repeated and confirmed as of the date of the making of any advance hereunder.

Section 6.01. Corporate Existence; Compliance with Law. The Borrower (i) is an entity duly organized, validly existing and in good standing under the laws of the State of Florida and (ii) has the requisite power and authority and the legal right to own, pledge and operate the Collateral; (iii) has all necessary material licenses, permits, consent or approvals from or by, and has made all necessary filings with, and have given all necessary notices to, all governmental authorities having jurisdiction, to the extent required for such ownership, operation and conduct;

(iv) is in compliance with its governing instruments of said entity; (v) is in compliance with all applicable provisions of law; and (vi) and is qualified to do business in the State of Florida.

Section 6.02. Executive Offices. Borrower's executive offices and principal place of business is located at its principal office in Polk City, Florida, and all records relating to the Collateral are and shall be maintained there, in accordance with Borrower's past practice.

Section 6.03. Authorization of Loan Documents and Borrowings/Compliance with Laws/Contravention with Other Documents. Borrower has the right and power, and have taken all necessary corporate action to authorize them, to borrow hereunder and to execute, deliver and perform the Loan Documents in accordance with their respective terms. The Loan Documents have been duly executed and delivered by the duly authorized officers of the Borrower, and each is a legal, valid and binding obligation of the Borrower, and as applicable, enforceable in accordance with its terms.

Section 6.04. Solvency. After giving effect to the Loan and the application of the proceeds thereof as contemplated by the Loan Documents and the payment of all estimated fees related thereto, Borrower is solvent and can pay all of its debts when due.

Section 6.05. Litigation. There are no actions, suits or proceedings pending, nor to the actual knowledge of the Borrower, without duty of inquiry, threatened against or in any other way relating adversely to or affecting the Borrower.

Section 6.06. Tax Returns and Payments/Filings. All federal, state and other taxes, assessments and other governmental charges or levies upon the Borrower, and its properties, income, profits and assets which are due and payable have been paid. The Borrower has filed all federal and state tax returns which are required to be filed under Applicable Law.

Section 6.07. Financials.

(a) The Borrower has furnished the Bank with financial statements. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects. The balance sheets fairly present the condition of the Borrower as of the dates thereof, and the profit and loss and surplus statements fairly present the results of the operations of the Borrower for the periods indicated.

(b) From the date of the aforesaid financial statements, there have been no material adverse changes in the actual or anticipated assets, liabilities, financial condition, business, operations, affairs or prospects (financial or otherwise) of the Borrower from that set forth or reflected in said financial statements, other than changes in the ordinary course of business, none of which have been, either in any case or in the aggregate, materially adverse. Borrower shall update said financial statements at closing.

Section 6.08. ERISA. The Borrower is in compliance with ERISA in all material respects and has met its minimum funding requirements, if any, thereunder.

Section 6.09. Citations or Investigation. There have been no citations or to the best of Borrower's actual knowledge, without duty of inquiry, on-site investigations of alleged or suspected violations of any government regulatory agency, either municipal, county, state, or federal, affecting the business presently operated by Borrower.

Section 6.10. Title to Collateral. Borrower has good and marketable ownership, right, title, and interest to the Collateral, and none of the Collateral or any of the income or revenue therefrom is subject to any mortgage, conditional sale agreement, security interest, lease, lien, hypothecation, pledge, encumbrance, restriction, liability, charge, or claim, except as otherwise set forth herein.

Section 6.11. Compliance with the Laws. To the best of Borrower's knowledge, Borrower has complied in all material respects with all applicable laws, rules, regulations, and orders of all federal, state, and local authorities with respect to the Collateral and its business, and Borrower holds all requisite and necessary local, state and federal licenses to own and operate its business.

Section 6.12. Insurance. Borrower currently maintains and has in the past maintained adequate insurance coverage on its property and business which prudently insures against liabilities and risks. Such policies and binders are valid and enforceable in accordance with their respective terms and are outstanding and duly in force as of the date hereof and (i) such coverage held by Borrower provides adequate insurance for the Collateral; and (ii) such coverage held by Borrower provides adequate insurance for Borrower's business.

Section 6.13. No Violation. Neither the execution, delivery or performance by the Borrower of any of the Loan Documents, nor compliance with any of the terms and provisions thereof, nor the consummation of any of the transactions contemplated therein (a) has contravened or will contravene any provision of any federal or state law, statute, rule or regulation, or any order, writ, injunction or decree of any other governmental authority, the failure to comply with which would have a materially adverse effect on Borrower, (b) has conflicted or been inconsistent with or will conflict or be inconsistent with, or has resulted in or will result in any breach of, any of the terms, covenants, conditions or provisions of, or has constituted or will constitute (with or without notice or lapse of time or both) a default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the Borrower is a party, or by which it or any of its property or assets are bound or to which any of them may be subject, in each such case the contravention with which would have a materially adverse effect on Borrower, (c) results in the creation or imposition of (or the obligation to create or impose), any lien upon any of the property or assets of the Borrower pursuant to the terms of any indenture, mortgage, deed of trust, agreement or other instrument to which the Borrower is a party or by which it or any of its property or assets are bound or to which they may be subject (other than as contemplated by the Loan Documents), or (d) has violated or will violate any provision of the charter or governing documents of the Borrower.

Section 6.14. No Default. Borrower is not in default under or with respect to any contract, agreement, lease or other instrument to which it is a party and which is material to its business, prospects, operations or financial condition. No event of default or event which, with the giving of notice, the lapse of time, or both, has occurred and is continuing.

Section 6.15. Taxes. All federal, state and local tax returns, reports and statements required to be filed by Borrower have been filed with the appropriate governmental agencies in all jurisdictions in which such returns, reports and statements are required to be filed, and all charges shown to be due and payable have been timely paid prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for nonpayment thereof.

Section 6.16. Brokers. No broker or finder brought about the obtaining, making or closing of the Loan made pursuant to this Agreement and Borrower has no obligations to any person in respect of any finder's or brokerage fees in connection with the loan contemplated by this Agreement.

Section 6.17. Intentionally Deleted

Section 6.18. Priority of Liens and Security Interest. The liens and security interests granted to the Bank in the Collateral shall be and are perfected first security interests, and there will be no other security interests or other liens upon the Collateral during the term of the Loan without the prior written consent of the Bank, except for those liens expressly approved by the Bank in the Bank's sole discretion.

Section 6.19. Full Disclosure. No information contained in this Agreement, the Loan Documents, the financials or any written statement furnished by or on behalf of Borrower in connection with the Loan contemplated hereby contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement contained herein or therein not misleading. Any financial projections delivered to Bank have been prepared on the basis of the assumptions stated herein. Such projections represent Borrower's best estimate in all material respects of Borrower's future financial performance and such assumptions are believed by Borrower to be fair in light of current business conditions.

Section 6.20. Use of Loan. The proceeds of the Loan shall be used exclusively for the purposes set forth in this Agreement.

Section 6.21. Setoffs. The Borrower does not, as of the date hereof, have any defenses, counterclaims, or setoffs with respect to any sums to be advanced under this Loan Agreement.

Section 6.22. Collateral. The Collateral is not subject to any lien or encumbrance that would affect the Bank's security interest in the Collateral.

Section 6.23 Survival. All of the representations and warranties set forth in this Article shall survive until all Obligations are satisfied in full.

ARTICLE VII **INFORMATION**

For so long as any of the secured Obligations remain unpaid or unperformed, or this Agreement is in effect, the Borrower will furnish to the Bank:

Section 7.01. Borrower's Annual Audited Financial Statements. Borrower shall provide annually an audited financial statement for Borrower prepared by a certified public accountant within thirty (30) days of said financial statements being prepared. Said financial statements shall include a balance sheet as of the end of each fiscal year and the related statement of income for such fiscal year, setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year, if applicable, certified as true and correct, in all material respects, by the Borrower's chief financial officer.

Section 7.02. Internal Financial Statements. Borrower shall provide annual internally prepared financial statement within thirty (30) days of such statements being prepared.

Section 7.03. Other Information/Litigation. Such other information with respect to the Collateral and the business operations or financial condition of the Borrower, as the Bank may reasonably request.

ARTICLE VIII **AFFIRMATIVE COVENANTS**

Borrower covenants and agrees that, unless the Bank shall otherwise consent in writing, from and after the date hereof until all Obligations shall be paid in full in accordance with the terms of the agreements creating such Obligations:

Section 8.01. Maintenance of Existence and Conduct of Business. Borrower shall, unless otherwise requested by Bank in accordance with the terms of this Agreement:

- (a) do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence of its legal entity and its rights and franchises;
- (b) continue to conduct its business substantially as now conducted;

Section 8.02. Payment of Obligations. Borrower shall (i) pay and discharge or cause to be paid and discharged all taxes, assessments, governmental charges, indebtedness, including, without limitation, all Obligations, as and when due and payable and (ii) pay and discharge or cause to be paid and discharged promptly all (A) charges imposed upon it, its income and profits, or any of its property (real, personal or mixed), and (B) lawful claims for labor, materials and

supplies or otherwise which, if unpaid, might become a lien upon such properties or any part thereof in each case before any thereof shall become in default.

Section 8.03. Insurance. Borrower shall obtain and keep adequate insurance upon all of their respective assets and property, including the specific amounts and types of insurance to cover the Collateral.

Section 8.04. Location of Offices and Collateral/Change of Name. The Borrower shall not change its principal place of business or chief executive office without giving the Bank ten business days' prior written notice. The Borrower shall not change its corporate name without ten business days prior written notice to the Bank.

Section 8.05. Compliance with Applicable Law. Comply with, in all material respects, all applicable laws, including the obtaining of all necessary governmental approvals.

Section 8.06. Intentionally deleted.

Section 8.07. Licenses. Hold and maintain all requisite and necessary local, state and federal licenses to operate its business.

Section 8.08. Notice of Default. The Borrower shall immediately notify the Bank in writing upon the happening, occurrence, or existence of any event of default, or any event or condition which, with the passage of time or giving of notice or both, would constitute an event of default, and shall provide the Bank with such written notice, a detailed statement executed by the president or trustee, as the case may be, of the Borrower setting forth all relevant facts and the action being taken or proposed to be taken by the Borrower with respect thereto.

Section 8.09. Intentionally Deleted.

Section 8.10. Notice of Suit, Proceedings, Adverse Change. The Borrower shall promptly give the Bank notice in writing of: (a) all threatened or actual actions or suits (at law or in equity) and all threatened or actual investigations or proceedings by or before any court, arbitrator, or any governmental department, commission, board, bureau, agency, or other instrumentality, state, federal, or foreign, materially affecting the Borrower, or their properties, which the Borrower, believes in good faith is likely to materially and adversely affect the financial condition of the Borrower, or to impair the right or ability of the Borrower, to carry on their business as now conducted or to pay the Obligations or perform the duties under the Loan Documents; (b) any material adverse change in the condition (financial or otherwise) of the Borrower; (c) any seizure or levy upon any part of the properties of the Borrower, under any process or by a receiver; and (d) the occurrence of any material casualty to any material facility of the Borrower, or any other force majeure (including without limitation any strike or other labor disturbance) materially affecting the operation or value of any such facility (specifying whether or not such casualty or force majeure is covered by insurance).

Section 8.11. Additional Collateral Documents. To the extent the Borrower acquires from time to time any additional property within the definition of the term Collateral, the Borrower shall execute and deliver to the Bank such documents (in form and substance reasonable to Borrower and consistent with the terms and conditions contained herein) as may be necessary to grant the Bank a valid and first lien or security interest in such property.

Section 8.12. True Books. The Borrower will keep proper and true books of record and account, satisfactory to the Bank, in which full, true, and correct entries will be made of all of Borrower's dealings and transactions.

Section 8.13. Observation of Laws. The Borrower will conform to and duly observe all laws, regulations, and other valid requirements of any governmental authority with respect to the conduct of its business.

Section 8.14. Intentionally deleted.

Section 8.15. Intentionally deleted.

Section 8.16 Intentionally deleted.

Section 8.17. Application of Loan Proceeds. The Borrower shall use the proceeds of the Loan solely for the purposes of refunding the Series 2007 Bonds issued by the City.

Section 8.18. Intentionally deleted.

Section 8.19. Further Assurances. The Borrower, will, at the cost of the Borrower, and without expense to the Bank, promptly upon the request of the Bank: (a) correct any defect, error or omission which may be discovered in the contents of any Loan Documents or in the execution or acknowledgment thereof; (b) execute, acknowledge, deliver and record or file such other and further instruments (including, without limitation, mortgages, deeds or trusts, security agreements, financing statements and specific assignments of rents or leases) and do such further acts in either case as may be necessary, desirable or proper in the Bank's opinion to carry out more effectively the purposes of the Loan Documents; to protect and preserve the first and valid lien and security interest on the Collateral to subject thereto any property intended by the terms thereof to be covered thereby, including, without limitation, any renewals, additions, substitutions or replacements thereto; or protect the interest and security interest of the Bank and the Collateral against the rights or interest of third parties. Any document to be executed pursuant to this paragraph shall be in form and substance reasonable to Borrower and consistent with the terms and conditions of this Agreement. The effect of this paragraph shall terminate automatically upon an event of default.

ARTICLE IX **NEGATIVE COVENANTS**

Borrower covenants and agrees, for so long as any portion of the principal amount of or interest on the Loan is outstanding and unpaid or any duty or obligation of the Borrower hereunder or any of the other Obligations remain unpaid or unperformed, as follows:

Section 9.01. Events of Default. The Borrower shall not take or omit to take any action, which action or omission would constitute an Event of Default pursuant to, or noncompliance with, any of, the terms of any of the Loan Documents, or any other contract, lease, mortgage, or instrument to which the Borrower is a party or by which the Borrower, or any of its property is or hereafter becomes bound.

Section 9.02. Other Agreements. The Borrower will not, directly or indirectly, enter into any arrangements, contractual or otherwise, which would materially and adversely affect its duties to or the rights of the Bank under the Loan Documents or which is inconsistent with or limits or abrogates the Loan Documents.

Section 9.03. Liquidation, Dissolution, Mergers, Etc. Borrower will not, directly or indirectly, wind up, liquidate, or dissolve themselves or its business, or merge with, consolidate with, acquire, or otherwise combine with any Person, without the prior written consent of the Bank, which consent shall not be unreasonably withheld, conditioned or delayed and the Bank's failure to deliver such written consent within 10 business days of a request shall be deemed approval.

Section 9.04. Indebtedness. Borrower shall not create, incur, assume or permit to exist any Indebtedness, whether recourse or nonrecourse, and whether superior or junior, resulting from borrowings, loans, advances or the granting of credit, which is secured by the Collateral.

Section 9.05. Intentionally deleted.

Section 9.06. Adverse Transactions. The Borrower will not, directly or indirectly, enter into any material transaction, or permit or agree to any extension, compromise, or settlement, or make any change or modification of any kind or nature with respect to any receivable, including any of the terms relating thereto, which would have a material adverse effect upon the operations, assets, conditions (financial or otherwise), prospects, or business of the Borrower, the Collateral, or the Bank's lien on any of the Collateral, or the priority of any such lien.

Section 9.07. Liens. Except as may be specifically provided otherwise in this Agreement, the Borrower will not create, assume, or suffer to exist any lien upon the Collateral other than the lien of the Bank created hereunder.

Section 9.08. Changes in Fiscal Year and Accounting Methods. The Borrower will not change its fiscal year without reasonable notice to the Bank. The Borrower will not change its accounting methods or practices, or its depreciation or amortization policy or rate from that in existence as of the date of this Agreement or on the date of the financial statements provided to the Bank, except as required to comply with law.

Section 9.09. Sale of Assets. The Borrower will not sell, lease, assign, transfer or otherwise dispose of a material portion of any of its assets or properties, tangible or intangible, without the prior written consent of the Bank, which consent shall not be unreasonably withheld, except in the ordinary course of business or in connection with a *bona fide* third party for a fair market value.

ARTICLE X **SURVIVAL OF OBLIGATIONS**

Except as otherwise expressly provided for in the Loan Documents, no termination or cancellation (regardless of cause or procedure) of the financing under this Agreement shall in any way affect or impair the powers, obligations, duties, rights and liabilities of Borrower or the rights of Bank relating to any transaction or event occurring prior to such termination. All undertakings, agreements, covenants, warranties and representations contained in the Loan Documents shall survive such termination or cancellation and shall continue in full force and effect until such time as all of the Obligations have been paid in full in accordance with the terms of the agreements creating such Obligations, at which time the same shall terminate.

ARTICLE XI **EVENTS OF DEFAULT**

Each of the following shall constitute an "Event of Default":

Section 11.01. Monetary Default. If the Borrower shall fail to make: (i) any payment of the principal or interest on the Loan when and as the same shall become due and payable, subject to any applicable, grace or notice and cure periods, whether on demand, at maturity, by acceleration at the discretion of the Bank or otherwise, or (ii) fails to make any other payment to the Bank as contemplated hereunder either by the terms hereof or otherwise within ten (10) days of receiving notice of such failure from Bank.

Section 11.02. Non-Monetary Default. The happening of one or more of the following events of default shall constitute a Non-Monetary Default:

- (a) The occurrence of a material adverse change in the financial condition of the Borrower;
- (b) Intentionally deleted;
- (c) If any representation or warranty made by Borrower or in any writing furnished in connection with or pursuant to this Agreement by Borrower shall be false in any material respect on the date on which it was made;
- (d) If Borrower defaults in the performance of any covenant contained in this Agreement, or violates any other term, condition or representation contained in this Agreement,

the Note, or in any instrument, document or agreement related hereto or thereto, and the default continues for thirty (30) days from notice to cure such default; provided, however, should such default be of a nature that it cannot be reasonably cured within such initial 30-day period, the time to cure such default shall be extended to such amount of time reasonably necessary to cure such default so long as the defaulting party commenced curing within such initial 30-day period and thereafter diligently prosecutes such cure to completion;

(e) If there are final judgments for the payment of money, which are outstanding against Borrower and any one of such judgments has been outstanding for more than ninety (90) days from the date of its entry and has not been discharged in full or stayed pending further proceedings;

(f) If a receiver, liquidator or trustee of Borrower, or of any material portion of its property, is appointed by court order and such order remains in effect for more than thirty (30) days; or Borrower is adjudicated bankrupt or insolvent; or any material portion of the properties of Borrower is attached or sequestered by court order and such order remains in effect for more than thirty (30) days; or a petition is filed against Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within one hundred twenty (120) days after such filing;

(g) If Borrower files a petition in voluntary bankruptcy or seeks relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(h) If Borrower makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee or liquidator of Borrower;

(i) If any condition or situation occurs, which, in the sole reasonable determination of Bank, constitutes a material danger or impairment to the security and/or repayment of the Loan, or if any other matters occur which are specified as an Event of Default pursuant to the other provisions of this Agreement, and the default continues for thirty (30) days from notice to cure such default; provided, however, should such default be of a nature that it cannot be reasonably cured within such initial 30-day period, the time to cure such default shall be extended to such amount of time reasonably necessary to cure such default so long as the defaulting party commenced curing within such initial 30-day period and thereafter diligently prosecutes such cure to completion.

Section 11.03. Misrepresentations. Any material statement, representation or warranty made by the Borrower under or pursuant to any Loan Document or in any other writing or statement at any time furnished or made by the Borrower to the Bank shall at any time prove to have been incorrect or misleading in any material respect when furnished or made.

Section 11.04. Insolvency/Bankruptcy Proceeding. If: (a) The Borrower shall (i) become insolvent and become generally unable to pay its respective debts as they become due, (ii) make an assignment for the benefit of creditors, (iii) call a meeting of creditors for the compromise of debts, or (iv) fail to make payments due to the Bank or any Affiliate of Bank; or (b) there shall be filed by or against the Borrower a petition in bankruptcy or for reorganization (whether under the Bankruptcy Code of 1978 or other federal or state bankruptcy or insolvency law), or a custodian, receiver or agent is appointed or authorized to take charge of any of its respective properties, or the Borrower take any action to authorize any of the foregoing.

Section 11.05. Payment of Other Obligations and Third-Party Defaults. If the Borrower shall, except when there is a reasonable dispute which the Borrower is diligently and in good faith contesting and seeking to resolve through all available means including suit and any appeals, (i) fail to make any payment on any contract obligation or of principal or interest on any debt other than that created hereunder, whether owed to the Bank or others, beyond any period of grace provided with respect thereto, or (ii) default in the performance of any other agreement under which any such other indebtedness is created if the effect of such default under (i) or (ii) is to cause or permit the holder or holders of such indebtedness (to a trustee or other person acting in behalf of such holder or holders) to cause such indebtedness to become due prior to its stated maturity, or (iii) any Lien is imposed by operation of law on any of its property, if the Lien is not discharged within thirty (30) days after it has attached and the Lien relates to a claim for the payment of damages or money in excess of \$25,000.00, or (iv) otherwise suffer a default in the performance or observation of a provision of any lease, contract, agreement, mortgage, promissory note, instrument, or other obligation or commitment to which it is a party or in respect of which it is obligated to the Bank or any person other than the Bank; provided, however, that the occurrence of any of the foregoing matters set forth in this Section shall not be deemed an Event of Default hereunder unless the Bank believes that such occurrence reasonable is likely to materially and adversely affect the financial condition of the Borrower to carry on its business as now conducted or to pay the Obligations or perform its duties under the Loan Documents.

Section 11.06. Concealment of Assets. If the Borrower shall have concealed, removed, or permitted to be concealed or removed, any part of its properties, with intent to hinder, delay, or defraud its creditors or any of them, or made or suffered a transfer of any of its properties which may be fraudulent under any bankruptcy, fraudulent conveyance, or similar law, or shall have made any transfer of its properties to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall have suffered or permitted, while insolvent, any creditor to obtain a Lien upon any of its properties through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof.

Section 11.07. Intentionally Deleted.

Section 11.08. Intentionally Deleted.

Section 11.09. Invalidity of Security Interest and Liens. For any reason after the execution and delivery thereof, any of the Loan Documents delivered pursuant hereto that

creates, or was intended to create, a Lien or to provide collateral security for the Obligations created hereunder ceases to be in full force and effect or the Liens intended to be created thereby cease to be or are not valid and perfected Liens contemplated thereby except as to any default resulting from Bank's action or failure to act.

Section 11.10. Reports and Certificates. If any reports, certificates, financial statements, or other instruments delivered to the Bank by the Borrower is at any time false or misleading in any material respect.

Section 11.11. Legal Existence. If any act or omission (formal or informal) of the Borrower shall lead to, or result in, the termination, invalidation (partial or total), revocation, suspension, interruption, or unenforceability of its legal existence, rights, licenses, franchises, or permits to operate its business, or the transfer or disposition (whether by sale, lease, or otherwise) to any Person of all or a substantial part of its property and the default continues for thirty (30) days from notice to cure such default.

Section 11.12. Collateral. If any of the Collateral shall be attached, seized, levied upon, or subjected to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian, or assignee for the benefit of creditors and the same shall not be removed or bonded within thirty (30) days.

ARTICLE XII REMEDIES

Upon the occurrence of an Event of Default, the Bank may exercise any or all of the following rights and remedies:

Section 12.01. Acceleration. If any Event of Default shall have occurred and be continuing beyond any applicable notice or cure period, the Bank may: (i) declare the principal of, and accrued but unpaid interest on, the Loan and the Note and Obligations at the time outstanding to be immediately due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in any Loan Document or any other agreement evidencing any Secured Obligations to the contrary notwithstanding and (ii) terminate this Agreement and the making of the Loan hereunder.

Section 12.02. Rights as a Secured Creditor. If any Event of Default shall have occurred and be continuing beyond any applicable notice or cure period, the Bank may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code in effect from time to time in Florida and under any other applicable law with respect to all or any portion of the Collateral, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Bank, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Bank may deem commercially reasonable. The Borrower agrees that, to the extent notice of sale shall be required

by law, at least five (5) days' notice to the Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification except in the case of perishable goods, in which case the Bank shall have the rights provided by law. The requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the Borrower at the address given below or at any other address shown on the records of the Bank, at least five days before the time of the sale or disposition. Sale at a wholesale dealers' auction is a commercially reasonable disposition. Upon disposition of any Collateral after the occurrence of any default hereunder, Borrower shall be and remain liable for any deficiency; and Bank shall account to Borrower for any surplus, but Bank shall have the right to apply all or any part of such surplus (or to hold the same as a reserve against) to any and all reasonable fees, costs or collection, and reasonable attorney fees and costs, together with any other liability of Borrower to Bank. Bank shall exercise reasonable care in the custody and preservation of the Collateral to the extent required by applicable statute, and shall be deemed to have exercised reasonable care if it takes such action for that purpose as Borrower shall reasonably request in writing, but no omission to do any act not requested by Borrower shall be deemed a failure to exercise reasonable care, and no omission to comply with any request of Borrower shall of itself be deemed a failure to exercise reasonable care. Bank shall not be bound to take any steps necessary to preserve any rights in the Collateral against prior parties and Borrower shall take all necessary steps for such purposes. Bank or its nominee need not collect interest on or principal of any Collateral or give any notice with respect to it. The Bank shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Bank may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

Section 12.03. Intentionally Deleted.

Section 12.04. Application of Proceeds. If any Event of Default shall have occurred and be continuing beyond any applicable notice or cure period, all proceeds from each sale of, or other realization upon, all other realization upon, all or any part of the Collateral following an Event of Default shall be applied or paid over as follows: (a) First: to the payment of all costs and expenses incurred in connection with such sale or other realization, including reasonable attorneys' fees if the Bank endeavored to collect the Secured Obligations by or through an attorney at law; (b) Second: to the payment of the interest due upon any of the Secured Obligations, in any order which the Bank may elect; (c) Third: to the payment of the principal due upon any of the Secured Obligations in any order which the Bank may elect; and (d) Fourth: the balance (if any) of such proceeds shall be paid to the Borrower subject to any duty imposed by law or otherwise to the holder of any subordinate lien in the Collateral known to the Bank and subject to the direction of a court of competent jurisdiction.

The Borrower shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Secured Obligations, together with interest thereon at the highest rate allowable by law.

Section 12.05. Rights Cumulative. The rights and remedies of the Bank under the Loan Documents shall be cumulative and not exclusive of any rights or remedies which it would otherwise have under Florida law or otherwise. Bank shall have and continue to have any and all such rights as set forth in any of the Loan Documents or Florida law. In exercising its rights and remedies the Bank may be selective and no failure or delay by the Bank in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Section 12.06. Notice. Any notice required to be given by Bank of a sale, lease, other disposition of the Collateral or any other intended action by Bank, deposited in the United States mail, postage prepaid and duly addressed to Borrower at its principal place of business specified therein not less than five (5) days prior to such proposed action, shall constitute commercially reasonable and fair notice to Borrower thereof.

Section 12.07. Miscellaneous Rights. If any Event of Default shall have occurred and be continuing beyond any applicable notice or cure period, Bank shall have the right at any time and from time to time thereafter, in its sole discretion, without notice thereof to Borrower:

(a) to enforce payment of the Obligations and collect Borrower's Collateral, by legal proceedings or otherwise in the name of Bank or Borrower; and

(b) to take control in any manner, of any item of payment for or proceeds of the Collateral.

Section 12.08. Rights of Sale. So long as Bank has not received a bona fide offer for the Collateral equal to or exceeding the balance due on the Note, Bank may, in its sole discretion, postpone or adjourn any sale of the Collateral, or any part thereof, from time to time by an announcement at the time and place of sale or by announcement at the time and place of such postponed or adjourned sale, without being required to give a new notice of sale. Borrower agrees that Bank has no obligation to preserve rights against prior parties to the Collateral.

Section 12.09. Possession upon Default. In the event that Bank has taken possession of or assumed control of the Collateral by reason of a default, the Collateral shall no longer be deemed property of Borrower.

Section 12.10. Cure of Defaults. Bank may cure any default without releasing the Borrower from any obligation hereunder or under the Loan Documents. In connection with exercising its right to cure an Event of Default, the Bank may enter upon the real property of the Borrower where the Collateral is located and do such acts and things as the Bank deems necessary or desirable to protect the Collateral, including, without limitation: (i) paying, purchasing, contesting or compromising any encumbrance, charge, lien, claim of lien or other imposition; (ii) paying any insurance premiums and (iii) employing counsel, accountants, contractors and other appropriate persons to assist Bank in the foregoing.

Section 12.11. No Further Advances. To refuse to make any further advances under the Loan and to withhold further disbursements hereunder.

Section 12.12. Foreclosure. Foreclose the security interest in the Collateral by instituting a foreclosure suit in any court having jurisdiction thereof.

Section 12.13. Collect Income. Following the occurrence of an Event of Default, the Bank shall be entitled to collect and receive all income from the Collateral and every part thereof, all of which shall for all purposes constitute property of the Bank and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other profit charges upon the Collateral or any part thereof, as well as just and reasonable compensation for the services of the Bank and all attorneys, counsel, agents, clerks, servants and other employees properly engaged by the Bank, the Bank shall apply the money received, first to the payment of the Note, when and as the same shall become payable and then to the payment of any other sums required to be paid by the Borrower to the Bank under the Loan Documents.

Section 12.14. Use of Fund Balance. To use any funds of the Borrower, including any balance which may be available in any cash collateral, reserve or contingency account under the Loan.

ARTICLE XIII **MISCELLANEOUS**

Section 13.01. Waivers by Borrower. Except as otherwise provided for in this Agreement, the Borrower waives (i) presentment, demand and protest, and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension, or renewal of any or all of the Loan Documents and hereby ratifies and confirms whatever the Bank may do in this regard, (ii) all rights to notice and a hearing prior to the Bank's taking possession or control of, or to the Bank's replevy, attachment, or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing the Bank to exercise any of the Bank's remedies, and (iii) the benefit of all valuation, appraisalment, and exemption laws, provided, however, Borrower is not waiving its right to a commercially reasonable sale. The Borrower acknowledges that the Borrower has been advised by counsel of its choice with respect to this Agreement, the Loan Documents, and the transactions evidenced by this Agreement and the Loan Documents.

Section 13.02. No Waiver by Bank. No failure or delay on the part of the Bank in exercising any right, power, or remedy hereunder, or under the Note or the other Loan Documents, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder or thereunder.

Section 13.03. Course of Dealing; Amendments; Supplemental Agreements. No course of dealing between the Bank and the Borrower shall be effective to amend, modify, or change any provision of this Agreement. No amendment, modification, termination, or waiver of any provision of this Agreement, the Note, or the other Loan Documents, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Any such supplemental agreement in writing shall be binding upon the Bank and the Borrower.

Section 13.04. Notices. Unless otherwise provided herein, communications provided for hereunder shall be in writing and shall be mailed, telecopied or delivered,

If to the Borrower:

POLK CITY, FLORIDA
123 Broadway Blvd., SE
Polk City, FL 33868

For all Notices to Borrower, a copy shall also be sent to:

GRAY ROBINSON
Attn: Thomas A. Cloud, Esquire
301 East Pine Street, Suite 1400
Orlando, FL 32801

If to the Bank:

CITIZENS BANK & TRUST
Attn: Commercial Loan Department
222 State Road 60 East
Lake Wales, Florida 33853

with a copy to Peterson & Myers, P.A., 242 West Central Avenue, Winter Haven, FL 33880, Attn: David G. Fisher, Esquire, or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and other communications to the Borrower shall be effective (i) if mailed, when received or three days after mailing, whichever is earlier; (ii) if telecopied, when transmitted; or (iii) if hand delivered, when delivered. All such notices or communications to the Bank shall be effective when actually received.

Section 13.05. Actions and Proceedings. Any legal action or proceeding against the Borrower with respect to this Agreement may be brought in such of the courts of competent jurisdiction of the state or federal courts located in Polk County, Florida as the Bank or its successors and assigns, as the case may be, may elect, and, by execution and delivery of this Agreement, the Borrower irrevocably submit to the nonexclusive jurisdiction of such courts for

purposes of legal actions and proceedings hereunder and, in case of any such legal action or proceeding brought in the above-named Florida courts, hereby irrevocably consents, during such time, to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered mail, postage prepaid, to the Borrower at its address as provided in Section 13.04 hereof; or by any other means permitted by applicable law. If it becomes necessary for the purpose of service of process out of any such courts, the Borrower shall take all such action as may be required to authorize a special agent to receive, for and on behalf of it, service of process in any such legal action or proceeding, and shall take all such action as may be necessary to continue said appointment in full force and effect so that the Borrower will at all times have an agent for service of process for the above purposes in Polk County, Florida. To the extent permitted by law, a final judgment (a copy certified by the court that has rendered the judgment shall be conclusive evidence of the fact and of the amount of any indebtedness of the Borrower to the Bank) against the Borrower in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on an unsatisfied judgment. To the extent that Borrower has or hereafter may acquire any immunity from jurisdiction of any of the above-named courts or from any legal process therein, the Borrower hereby irrevocably waives such immunity, and the Borrower hereby irrevocably waives and agrees not to assert by way of motion, as a defense, or otherwise, in any legal action or proceeding brought hereunder in any of the above-named courts, (i) the defense of sovereign immunity, (ii) any claim that it is not personally subject to the jurisdiction of the above-named courts by reason of sovereign immunity or otherwise, (iii) that it or any of its property is immune from the above described legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, or otherwise), (iv) that such action or proceeding is brought in an inconvenient forum, that venue for the action or proceeding is improper or that this Agreement may not be enforced in or by such courts, or (v) any defense that would hinder or delay the levy, execution or collection of any amount to which any party hereto is entitled pursuant to a final judgment of any court having jurisdiction. Nothing in these provisions shall limit any right of the Bank to bring actions, suits or proceedings in the courts of any other jurisdiction. The Borrower expressly acknowledges that the foregoing waiver is intended to be irrevocable under the laws of the State of Florida and of the United States of America.

Section 13.06. Expenses. The Borrower will pay, on demand, all reasonable out-of-pocket expenses incurred by the Bank in connection with: (a) the negotiation, preparation, execution, delivery and administration of the Loan Documents, whenever the same shall be executed and delivered, including appraisers' fees, search fees, recording fees, intangible and documentary stamp taxes payable by the Bank with respect to the Loan Documents and the reasonable fees and disbursements of Peterson & Myers, P.A., counsel for the Bank, and of each local counsel retained by the Bank; (b) the restructuring, refinancing or "workout" of the transactions contemplated hereby, and the preparation, negotiation, execution and delivery of any waiver, amendment or consent by the Bank relating to the Loan Documents, including, without limitation, the fees, out-of-pocket expenses and other disbursements of counsel to the Bank; (c) the collection or enforcement of the Loan Documents or the secured Obligations including the reasonable fees and disbursements of counsel to the Bank if such collection or enforcement is done through or by an attorney; and (d) the exercise by the Bank of any right or remedy granted to it under any Loan Document whether or not an Event of Default has occurred.

Section 13.07. WAIVER OF JURY TRIAL. THE BORROWER HEREBY AGREES TO WAIVE ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY DEALINGS BETWEEN THE BORROWER AND THE BANK. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THE BORROWER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE BANK TO ENTER INTO A BUSINESS RELATIONSHIP WITH THE BORROWER AND ITS AFFILIATES. THE BORROWER REPRESENTS AND WARRANTS THAT THEY HAVE REVIEWED THIS WAIVER WITH LEGAL COUNSEL, AND THAT SUCH WAIVER IS KNOWINGLY AND VOLUNTARILY GIVEN FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED, EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, REPLACEMENTS, REAFFIRMATIONS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 13.08. Reliance Upon and Survival of Representations and Warranties. All representations, warranties, and agreements contained herein or made in writing by the Borrower in connection herewith shall survive the execution and delivery of this Agreement, the Note, and the other Loan Documents and be true and correct during the term of the Loan. All such representations, warranties, covenants, and agreements made by the Borrower in the Loan Documents are material and shall be deemed to have been relied upon by the Bank, notwithstanding any investigation heretofore or hereafter by the Bank. All statements contained in any certificate or other paper delivered to the Bank at any time or on behalf of the Borrower pursuant hereto shall constitute representations and warranties by the Borrower hereunder.

Section 13.09. Time of the Essence. Time is of the essence of this Agreement, the Note and the other Loan Documents.

Section 13.10. Severability. In case any one or more of the provisions contained in this Agreement, the Note or the other Loan Documents shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the same shall not affect any other provision of this Agreement, the Note, or the other Loan Documents, but this Agreement, the Note, and the other Loan Documents shall be construed as if such invalid, illegal, or unenforceable provision had never been contained therein.

Section 13.11. Conflict. In the event any conflict arises between the terms of this Agreement and the terms of an other Loan Document, the terms of this Agreement shall govern in all instances of such conflict.

Section 13.12. Term. The term of this Agreement shall be for such period of time until the Loan and the Note have been repaid in full, the Borrower has no further right to request any advance on the Loan, and all Obligations have been paid to the Bank in full.

Section 13.13. Authorized Signature. Until Bank shall be notified by Borrower to the contrary, the signature upon any Loan Document delivered pursuant hereto appointed officer of the Borrower as required by the borrowing resolution of the Borrower, which shall not require more than one signature, shall bind Borrower and be deemed to be the act of Borrower affixed pursuant to and in accordance with resolutions duly adopted by Borrower.

Section 13.14. Successors and Assigns. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective heirs, devisees, personal representatives, successors, and assigns of the parties hereto whether so express or not; provided, however, this clause shall not by itself authorize any delegation of duties by the Borrower or any other assignment which may be prohibited by the terms and conditions of this Agreement or any of the other Loan Documents.

Section 13.15. No Third-Party Beneficiaries. The parties intend that this Agreement is solely for their benefit, and no person not a party hereto shall have any rights or privileges under this Agreement whatsoever either as a third-party beneficiary or otherwise.

Section 13.16. Exculpatory Provisions. Neither the Bank nor any of its officers, directors, employees, agents, attorneys-in-fact, or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement except for its or such person's own gross negligence or willful misconduct, or (ii) responsible in any manner for any recitals, statements, representations, or warranties made by the Borrower or any officer thereof contained in this Agreement or in any certificate, report, statement, or other document referred to or provided for in, or received by, the Bank under or in connection with this Agreement or for the value, validity, effectiveness, genuineness, enforceability, or sufficiency of this Agreement or for any failure of the Borrower to perform its Obligations hereunder. The Bank shall not be under any obligation to ascertain or inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the assets, books, or records of the Borrower.

Section 13.17. No Partnership. Nothing contained in this Agreement or any of the Loan Documents, nor the acts of the parties hereto, shall be construed to create a partnership or joint venture between the Borrower, and the Bank with respect to the Loan.

Section 13.18. Headings. The headings in this Agreement are intended to be for convenience of reference only, and shall not define or limit the scope, extent or intent or otherwise affect the meaning of any portion hereof.

Section 13.19. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 13.20. Governing Law. This Agreement and the Loan Documents shall be construed in accordance with, and governed by the laws of the State of Florida.

Section 13.21. Entire Agreement. Except as otherwise expressly provided, this Agreement, the Note, and the other Loan Documents embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings. The Borrower hereby further releases and discharges the Bank from and against any and all liability with respect to any prior agreements and preliminary commitment. The Loan Documents were drafted with the joint participation of the parties hereto and shall be construed neither more strongly against nor in favor of any of them, but rather in accordance with the fair meaning thereof.

Section 13.22. Representation. Each party consents, acknowledges and agrees that Peterson & Myers, P.A. is representing the Bank in this transaction, and is not representing the Borrower.

IN WITNESS WHEREOF, the parties have executed this instrument under their respective seals the day and year first above written.

SIGNATURES ON SEPARATE PAGES TO FOLLOW

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Signed, sealed and delivered
in the presence of:

BORROWER:

POLK CITY, FLORIDA

√ _____

Printed Name: _____
Witness #1

By: _____

Joe LaCascia, Mayor

√ _____

Printed Name: _____
Witness #2

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of December, 2017 by Joe LaCascia, as Mayor of Polk City, Florida, a municipal corporation under the laws of Florida, on its behalf. He [] is personally known to me or [] produced a driver's license as identification.

[SEAL]

Notary Public, State of Florida
Printed Name: _____
My Commission Expires: _____

Signed, sealed and delivered
in the presence of:

BANK:

CITIZENS BANK & TRUST

√ _____
Printed Name: _____
Witness #1

By: _____
Print Name: _____
Its: _____

√ _____
Printed Name: _____
Witness #2

**STATE OF FLORIDA
COUNTY OF POLK**

The foregoing instrument was acknowledged before me this _____ day of December, 2017, by _____, as _____ of CITIZENS BANK & TRUST, on its behalf. He/she [] is personally known to me or [X] produced a driver's license as identification.

[SEAL]

Notary Public, State of Florida
Printed Name: _____
My Commission Expires: _____

**Loan
Closing
Documents**

LOAN CLOSING STATEMENT

LENDER: CITIZENS BANK & TRUST ("LENDER")
BORROWER: POLK CITY, FLORIDA
CLOSING DATE: 12/____/2017
TOTAL LOAN AMOUNT: \$1,371,789.00
CLOSING AGENT: PETERSON & MYERS, P.A. ("P&M")

**LOAN AMOUNT AND
BORROWER EXPENSES:**

I. LOAN AMOUNT \$1,371,789.00

III. BORROWER EXPENSES:

A. Items payable in connection with loan:

1 Loan Fee: (Lender)	\$5,000.00
2 Future Satisfaction: (Lender)	\$10.00
3 Doc Prep Fee (Lender)	\$150.00

B. Attorney's Fees and Costs:

1 Closing Fee/Attorney's Fees (P&M)	\$5,500.00
2 UCC Search (P&M)	\$300.00
3 Miscellaneous Costs and Fees	\$500.00

C. Recording fees and transfer charges:

1 Record UCC-1 (Clerk of Court)	\$14.50
2 File UCC: (FL Department of State)	\$35.00

D. USDA Bond Payoff

TOTAL BORROWER EXPENSES: \$11,509.50

IV. DISBURSEMENT SCHEDULE:

A. Lender	\$5,160.00
B. P&M	\$6,300.00
C. Clerk of Court	\$14.50
D. FL Department of State	\$35.00
E. USDA	\$0.00

TOTAL DISBURSEMENTS: \$11,509.50

The undersigned hereby acknowledges the receipt and payment, as applicable, of the above monies and authorizes Peterson & Myers, P.A. to disburse the loan proceeds and said monies according to the above schedule.

POLK CITY, FLORIDA

By: _____
Joe LaCascia, Mayor

PROMISSORY NOTE

\$1,371,789.00

_____, 2017

FOR VALUE RECEIVED, the undersigned, POLK CITY, FLORIDA, a municipal corporation under the laws of Florida (the "Borrower"), promises to pay to the order of CITIZENS BANK AND TRUST, a Florida corporation, its successors and/or assigns (the "Lender"), the principal sum of **\$1,371,789.00**, or so much thereof as has been advanced by Lender and not previously repaid, together with interest on the principal balance remaining unpaid from time to time at the rate per annum set forth below.

1. Term. The term of this Note shall commence on the date set forth above ("Effective Date") and shall expire on _____, 2032, ("Term"), at which time, all outstanding principal, accrued interest, charges and fees shall be due and payable.

2. Interest Rate.

(a) The interest rate on this Note shall be fixed at **3.4%** per annum, on the disbursed yet unpaid principal balance from the date of this Note (the "Interest Rate").

(b) Upon an Event of Default, the interest rate shall be the lesser of (i) 18% per annum, or (ii) the highest rate allowable by applicable law (the "Default Rate").

(c) Interest on this Note shall be computed on a 365/360 basis and shall be bank-qualified tax-exempt debt under Section 265 of the Internal Revenue Code.

3. Payment Schedule.

(a) Commencing on _____, 2018, and continuing on the 1st day of each month thereafter, Borrower shall pay monthly payments of principal and interest of \$ _____. Such principal and interest payments are based on a fifteen (15) year amortization.

(b) Unless sooner paid, all principal and accrued, but unpaid, interest, charges and fees shall be due and payable in full on _____, 2032 (the "Maturity Date").

(c) The Borrower shall have the right to borrow and repay hereunder as provided in the Loan Agreement, but in no event shall this Loan extend beyond the Maturity Date.

4. Late Charge. Any installment not received within ten (10) days of when due, shall be subject to, and it is agreed that the Lender shall collect thereon a "late charge" in the amount of five percent (5%) of such delinquent installment, or \$50.00, whichever is lesser. Said "late charge" shall be immediately due and payable and shall be paid by the Borrower without notice or demand of the Lender.

5. Prepayment. The Borrower shall have the right to prepay all or any portion of the principal of this Note at any time without notice, premium or penalty for the privilege of such prepayment. In the event of full prepayment, all accrued interest and other charges shall be paid at the same time as full principal prepayment. At the election of the Borrower, any partial prepayment shall be applied either: (1) first, against any amounts then due and owing and, second, against the principal and interest payments next coming due under this Note until exhausted (e.g. if the monthly payment is \$100, and in January Borrower delivered \$600, then no payment would be due again until July) or (2) against the principal amount outstanding and shall not postpone the due date of any subsequent monthly installments; however, it will reduce the amount of such installments.

6. Interest Limitation. Interest payable under this Note or any other payment which would be considered as interest or other charge for the use or loan of money shall never exceed the highest rate allowed by law applicable to this loan to be charged by Lender. If the interest or other charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such interest or loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from Borrower which exceeded permitted limits will be refunded. The Lender may choose to make this refund by reducing the principal owed under this Note or by making a direct payment to Borrower.

7. Consent and Waiver. The Obligor (which term is defined as the Borrower and all others who may become liable for all or any part of the obligations evidenced hereby), does hereby: (a) consent to any forbearance or extension of the time or manner of payment and performance hereof and to the release of all or any part of any security held by the Lender to secure payment of this Note and to the subordination of the lien of any instrument of security securing this Note as to all or any part of the property encumbered thereby, all without notice to or consent of that party; (b) agree that no course of dealing, delay, omission, or forbearance on the part of the Lender in exercising or enforcing any of its rights or remedies hereunder or under any instrument securing this Note shall impair any of the Lender's rights and remedies hereunder, and that the Lender may modify the time and manner of payment and performance of this Note and any instrument securing this Note, may grant forbearances and may release, wholly or partially, any security for this Note and release, partially or wholly, any Obligor, all without notice to or consent by any Obligor, and without thereby releasing, or diminishing its rights and remedies against any Obligor; and (c) waive notice of acceptance of this Note, or any instrument securing this Note and presentment, demand, protest, notice of dishonor and notice of protest.

8. Events of Default. The happening of any of the following events shall constitute a default hereunder (an "Event of Default"): (a) failure of Obligor to pay any sums required hereunder within fifteen (15) days following its due date, except that upon the final payment at the Maturity Date no such grace period shall apply; or (b) any other default or event of default beyond any applicable notice and cure periods shall occur in this Note, the Mortgage, the Assignment, or the Loan Agreement, or in any other instrument securing this Note or in any other instrument executed in connection with the loan,

9. Acceleration. Upon an Event of Default, the Lender shall have all available remedies set forth herein and in the Mortgage, the Assignment, the Loan Agreement, and any

other loan documents or instruments, and at the option of the Lender the entire principal sum then remaining unpaid and accrued interest shall immediately become due and payable without notice or demand, and said principal shall bear interest from such date at the Default Rate; it being agreed that interest not paid when due shall, at the option of the Lender, draw interest at the rate provided for in this paragraph. Failure to exercise the above options shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. If this Note is payable upon demand, then no terms or provisions contained in this paragraph shall be deemed to alter the demand nature of this Note.

10. Notices. Notices under this Note shall be delivered to the parties at the following addresses:

Lender:

CITIZENS BANK & TRUST
Attn: Commercial Loan Department
222 State Road 60 East
Lake Wales, FL 33853

With copy to:

PETERSON & MYERS, PA
Attn: David G. Fisher
242 West Central Ave.
Winter Haven, FL 33880

Borrower:

POLK CITY, FLORIDA
123 Broadway Blvd., SE
Polk City, FL 33868

With copy to:

GRAY ROBINSON
Attn: Thomas A. Cloud
301 East Pine Street, Suite 1400
Orlando, FL 32801

Notices shall be sent by certified or registered mail, return receipt requested, or by recognized overnight air courier (e.g. Federal Express) to the above addresses or such other addresses as are from time to time furnished in writing by a party thereto. Any notice sent hereunder shall be effective upon delivery if hand-delivered or sent by recognized overnight air courier, or within three (3) business days after having been sent by certified or registered mail, return receipt requested. Any notice sent as required by this section and refused by recipient or returned to the sender because of insufficient address or because the party has moved or otherwise than for insufficient postage, shall be deemed to have been received by the party to whom it was

addressed on the date that such notice was initially placed in the U.S. Postal System or delivered to the overnight air courier company by the sender.

11. Attorneys' Fees. All parties liable for the payment of this Note agree to pay the Lender reasonable attorneys' fees and costs, whether or not an action be brought, for the services of counsel employed to enforce the performance of any agreement contained in this Note or in any instrument executed in connection with this loan, including reasonable costs and reasonable attorneys' fees on appeal, in bankruptcy or post judgment proceedings.

12. Lien and Set Off. The Obligor shall have no right of set off against the Lender under this Note or under any instruments securing this Note or executed in connection with the loan evidenced hereby.

13. Florida Law. This Note shall be construed according to the laws of the State of Florida. It shall be enforceable in a Court having competent jurisdiction in Polk County, Florida.

14. Documentary Stamps. Documentary stamps in the amount required by Florida law have been paid simultaneously with the execution of this Note.

15. Security. This Note is secured by, among other instruments, a Security Agreement, and is subject to the terms of a Loan Agreement (the "Loan Agreement"), all of even date herewith.

16. Waiver of Jury Trial. BORROWER AND ANY OTHER PERSON LIABLE FOR PAYMENT HEREOF, BY EXECUTING THIS NOTE OR ANY OTHER DOCUMENT CREATING SUCH LIABILITY, WAIVE THEIR RIGHTS TO A TRIAL BY JURY IN ANY ACTION, WHETHER ARISING IN CONTRACT OR TORT, BY STATUTE OR OTHERWISE, IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER'S EXTENDING CREDIT TO BORROWER AND NO WAIVER OR LIMITATION OF LENDER'S RIGHTS UNDER THIS PARAGRAPH SHALL BE EFFECTIVE UNLESS IN WRITING AND MANUALLY SIGNED ON LENDER'S BEHALF.

SIGNATURES ON FOLLOWING PAGE

REMAINDER OF PAGE INTENTIONALL LEFT BLANK

THIS PROMISSORY NOTE CONSISTS OF FIVE (5) PAGES

IN WITNESS WHEREOF, the undersigned have caused this Promissory Note to be duly executed this ____ day of _____, 2017.

Signed, sealed and delivered
in the presence of:

BORROWER:

POLK CITY, FLORIDA

% _____

By: _____
Joe LaCascia, Mayor

Printed Name: _____
Witness #1

% _____

Printed Name: _____
Witness #2

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is entered into as of this _____ day of _____, 2017, by and between POLK CITY, FLORIDA, a municipal corporation under the laws of Florida, 123 Broadway Blvd., SE, Polk City, FL 33686 (the "Debtor"), and CITIZENS BANK AND TRUST, a Florida corporation, 222 State Road 60 East, Lake Wales, FL 33853 (the "Secured Party").

WITNESSETH:

WHEREAS, Debtor has executed and delivered to the Secured Party that certain Promissory Note dated on even date herewith, in the original principal amount of **\$1,371,789.00** (the "Note", together with all other present and future notes and obligations of the Borrower and Debtor to the Secured Party, whether now existing or hereinafter created, including but not limited to those described in this Agreement, the Note, and any other Loan Documents, all being hereinafter collectively referred to as the Obligations); and

WHEREAS, as an additional inducement for the Secured Party to make the loan evidenced by the Note, the Debtor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Debtor, has agreed to grant a security interest in all of its property described herein to the Secured Party to secure the performance and repayment of the Obligations.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. Security Interest. The Debtor hereby collaterally assigns and grants to and creates in favor of the Secured Party a security interest in and to the following (hereinafter referred to as the "Collateral"):

- (a) All revenues of the City's communications service tax and the City's half-cent sales tax.
- (b) All accessions to, substitutions for and replacements, products and proceeds of any of the foregoing.

Any and all such collateral described above is hereafter referred to as the "Collateral".

The security interest granted to the Secured Party in the Collateral herein and the assignment of the Collateral to the Secured Party made herein shall secure the performance of all Obligations as above defined, including those existing under the Note, this Agreement, and all other documents and instruments securing the Note (the "Loan Documents").

2. Representations and Warranties. The Debtor represents and warrants as follows:

- (a) The Debtor owns good and marketable title to the Collateral free and clear

of any security interest, lien, encumbrance, adverse claim or option;

(b) The Debtor has the authority to grant the security interest in and assign the Collateral to the Secured Party in the manner provided herein, the Debtor has taken all necessary actions to deliver and perform under this Agreement, and this Agreement constitutes the legal, valid and binding obligation of the Debtor, enforceable in accordance with its terms;

(c) This Agreement creates a valid, first priority security interest in all of the Collateral and secures the performance of the Obligations; all filings, notices and other actions necessary or desirable to perfect and protect such security interests have been duly taken; and there exists no other security interest in any of the Collateral, except as set forth herein;

(d) No financing statement or other security instrument is on file in any jurisdiction covering any Collateral, other than such instruments filed in favor of the Secured Party relating to this Agreement;

(e) The Debtor's grant of a security interest in and assignment of the Collateral to the Secured Party herein will not violate any other agreement to which the Debtor is a party or result in the creation or imposition of any lien, encumbrance, adverse claim, or option upon any Collateral; and

(f) The Debtor's place of business is located at the address set forth in the first paragraph hereof, and all of the Collateral and all records and books evidencing or relating to the Collateral are located at such address.

3. Intentionally Deleted.

4. Further Assurances.

(a) The Debtor agrees that from time to time, at its expense, the Debtor will promptly execute and deliver all further instruments and documents (in form and substance reasonable to Debtor and consistent with the terms contained herein), and take all further action that may be reasonably necessary or desirable, or that the Secured Party may reasonably request, in order to perfect and protect the first priority security interest granted herein in the Collateral or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Debtor will:

(i) Execute and file such financing or continuation statements or amendments thereto, and such other instruments or notices, as may be reasonably necessary or desirable, or as the Secured Party may request, and, if appropriate, indicate the security interest created hereby on any certificates of title with respect to any Collateral or deliver possession of such certificate of title to the Secured Party, in order to perfect and preserve the security interest granted or purported to be granted hereby.

(b) The Debtor hereby authorizes the Secured Party to file one or more financing continuation statements, and amendments thereto, relating to all or any part of the Collateral without the signature of the Debtor where permitted by law;

(c) The Debtor will furnish to the Secured Party on a quarterly basis statements and schedules further identifying and describing the Collateral and such other reports in connection with its Collateral as the Secured Party may reasonably request, all in reasonable detail satisfactory to the Secured Party; and

(d) The Debtor shall furnish to the Secured Party annual financial statements of Debtor and quarterly interim balance sheets and income statements as the Secured Party may reasonably request.

5. Location; Records. The Debtor shall not change the location of its chief place of business or chief executive office unless it has given to the Secured party ten (10) days prior written notice of such intended change, and prior thereto all action required by or requested pursuant to Paragraph 4 hereof in connection with such change shall have been taken. The Debtor will keep and preserve all records evidencing or relating to the Collateral at its chief place of business and will permit representatives of the Secured Party, upon three (3) business days advanced notice, at any time during normal business hours to inspect, copy and make abstracts from such records.

6. Actions Affecting the Collateral.

(a) The Debtor shall at its expense:

(i) Keep all Collateral and all records and books evidencing or relating to the Collateral at its present chief place of business and shall not change the location of any such Collateral, unless it has given thirty (30) days prior written notice to the Secured Party thereof, and prior thereto all action required by or requested pursuant to Paragraph 4 in connection with such change shall have been taken;

(ii) Defend the title to the Collateral against all persons and against all claims whatsoever;

(iii) Pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against any Collateral except to the extent the validity thereof is being contested in good faith;

(iv) Permit the Secured Party to inspect and have access, upon 48 hours notice, to any of the Collateral and any records, books, documents or instruments relating to the Collateral and to furnish to the Secured party, at its request, any and all information which the Debtor may have with respect to the Collateral.

(b) The Debtor shall not, without the prior written consent of the Secured Party, (i) sell, assign (by operation of law or otherwise), or otherwise dispose of any of the Collateral, except in the ordinary course of business, which such business shall be understood to be the sale, planting, growing, harvesting or sugar cane and all operational matters related thereto as well as the purchasing, selling and leasing of real property, or (ii) create or suffer to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral, except for the assignment and security interest created by this Agreement;

(c) The Debtor shall not, without the prior written consent of the Secured Party, waive, release, amend or agree to modify any rights it may have under any contract rights related to the Collateral, if such contract rights are material. The Debtor shall promptly notify the Assignee in writing of any material breach of any such contract or agreement to which the Debtor is a party by any party thereto;

7. Secured Party Appointed Attorney-in-Fact. Upon the occurrence of an Event of Default, the Debtor hereby irrevocably appoints the Secured Party as the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, to take any action and to execute any instrument giving effect to a remedy to which the Secured Party is entitled pursuant to this Agreement, including without limitation:

(a) to ask, demand, collect, sue for, recover, compound, compromise, settle, and receive and give acquittance and receipts for monies due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable in its commercially reasonable discretion for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral; and

8. Secured Party May Perform. If the Debtor fails to perform any provision contained herein, the Secured Party may itself perform, or cause performance of, such provision, and the reasonable expense of the Secured Party incurred in connection therewith shall be payable by the Debtor under Paragraph 12 hereof.

9. The Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for monies actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve its rights against other parties or any other rights pertaining to any Collateral.

10. Events of Default. The Debtor shall be in default under this Agreement upon the happening of any of the following:

(a) The Debtor fails to perform or violate any provision of this Agreement and does not cure the same within 30 days of receipt of written notice from the Secured Party; provided, however, if such failure cannot be cured within such 30-day period, no default shall be deemed to have occurred so long as Debtor commences curing within such 30-day period and diligently prosecutes the same to completion.

(b) The Debtor shall make any assignment for the benefit of its creditors.

(c) The Debtor shall file or admit the material allegations contained in any petition for bankruptcy or any petition made pursuant to any federal or state law providing for relief of debtors, or the Debtor shall apply for or consent to the appointment of a receiver for the Debtor or for any property of the Debtor; or

(d) There shall be any execution or levy on, or any seizure or attachment of, or the institution of any proceeding for foreclosure of any lien against or for any forced sale or forfeiture of, all or any part of the Collateral; or

(e) There occurs any event of default beyond any applicable grace or notice and cure period under the Note or any of the other Loan Documents, or under any other Obligations or agreements between the Debtor and the Secured Party.

11. Consequences of Default. Whenever the Debtor shall be in default under the Agreement pursuant to Paragraph 10 hereof beyond any applicable grace or notice and cure period, or in the event the Secured Party shall reasonably deem itself insecure for any reason, the Secured party shall have the right to exercise any or all of the following rights:

(a) The Secured Party shall have the right to declare the entire unpaid amount of any monies owed by the Debtor to the Secured party to be immediately due and payable without notice or demand on the Debtor, which notice or demand are hereby expressly waived by the Debtor, and upon the making of any such declaration, the entire unpaid amount shall become immediately due and payable;

(b) Upon the Secured Party's request, the Debtor shall immediately assign and transfer to the Secured Party any portion or all of the Collateral. The form of such assignment shall be in writing as the Secured Party may reasonably prescribe;

(c) Upon receipt of notice from the Secured Party, the Debtor shall hold all payments received by it in respect of the Collateral or as proceeds thereof in trust for the benefit of the Secured Party, shall segregate such payments from other funds of the Debtor, and shall forthwith pay over such payments to the Secured Party in the same form as received (with any necessary endorsement);

(d) The Secured Party shall have the right to enter upon any premises where the Collateral is located (to the extent Debtor may lawfully grant such permission) and take possession of the Collateral, or render it unusable, without demand or notice and without prior judicial hearing or legal proceedings, which the Debtor hereby expressly waives. If the Secured Party shall so require, the debtor shall assemble any and all Collateral (and books, documents and other records evidencing or relating to any of the Collateral) as directed by the Secured Party and make them available to the Secured Party at a place or places to be designated by the Secured Party which is reasonably convenient to all parties;

(e) The Secured Party shall have the right and is hereby expressly authorized by the Debtor to sell or make any other reasonable disposition of all or any part of the Collateral without the use of any judicial process or proceeding. Collateral may be sold by the Secured Party at any public or private sale, without prior notice to the Debtor except as specified below, in any commercially reasonable manner at any time. The Secured Party and the Debtor hereby agree that, to the extent notice of sale shall be required by law, if notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made is mailed via certified mail, postage prepaid, to the address of the Debtor set forth in Paragraph 15 five (5) days before the time of sale or disposition, such notice shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned;

(f) The Secured Party may exercise, in addition to any rights and remedies provided for herein or otherwise available to it as a secured party under applicable statutes and laws, all of the rights and remedies of a secured party upon default under the Uniform Commercial Code of the State of Florida (regardless of whether such Code applies to the affected Collateral); and

(g) All cash proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral, and all payments made in respect of the Collateral and received by the Secured party may, in the discretion of the Secured Party, be held by the Secured Party as collateral for the Obligations or may be applied (after payment to the Secured Party of the reasonable expenses, including reasonable attorneys' fees, costs and legal expenses, incurred by the Secured Party in retaking, collecting, selling or disposing of the Collateral) at any time in whole or in part by the Secured Party against all or any part of the Obligations in such order as the Secured Party shall elect. Any surplus of such payments held by the Secured Party and remaining after payment in full of all of the Obligations shall be paid over to the Debtor or to whomsoever may be lawfully entitled to receive such surplus.

12. Expenses. The Debtor agrees to pay upon demand to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Secured Party may incur in connection with the

administration of this Agreement, the custody or preservation of or the collection from or other realization upon, any of the Collateral, the exercise or enforcement of any of the rights of the Secured Party hereunder, or the failure by the Debtor to perform or observe any of the provisions hereof.

13. Waiver, Amendment. Neither party shall be deemed to have waived any rights hereunder, and no waiver of any rights shall be effective unless such waiver is in writing and signed by the party against whom such waiver shall operate. No delay or omission in exercising any right hereunder shall operate as a waiver thereof or of any other right. A waiver upon any one (1) occasion shall not be construed as a bar or a waiver of any right or remedy on any future occasion. All of the rights and remedies of the Secured Party, whether evidenced hereby or by another agreement, instrument or document or given by statute or rule of law, shall be cumulative and may be exercised singularly or concurrently. This Agreement may not be amended, modified or discharged in whole or in part orally, but only by an agreement in writing signed by the parties hereto. No course of dealing between any persons shall be deemed effective to amend, modify or discharge any part of this Agreement.

14. Secured Interests Absolute. All of the rights of the Secured Party hereunder and all of the obligations of the Debtor hereunder shall be absolute and unconditional, regardless of (i) any change in the time, manner or place of payment or in any other term of any or all of the Obligations, or any other amendment or waiver of or consent to any departure from the Agreement, (ii) any exchange, release or non-perfection of any other collateral or security provided for the Obligations, or (iii) any release or amendment or waiver of or consent to departure from any guaranty provided for any or all of the Obligations. The execution and delivery of this Agreement shall not impair or affect any other security for or guaranty of payment of the Obligations, and any security or guaranty provided to the Secured Party now or in the future for payment of the Obligations shall not impair or affect this Agreement or the security provided herein.

15. Notices. All notices to be given under this Agreement shall be in writing and shall be (i) personally delivered, or (ii) transmitted by postage prepaid, registered or certified mail, to the parties as follows:

If to the Secured Party:

CITIZENS BANK & TRUST
Attn: Commercial Loan Department
222 State Road 60 East
Lake Wales, Florida 33853

With a copy to:

PETERSON & MYERS, PA
Attn: David G. Fisher
242 West Central Avenue

Winter Haven, FL 33880

If to the Debtor:

POLK CITY, FLORIDA
123 Broadway Blvd., SE
Polk City, FL 33868

With a copy to:

GRAY ROBINSON
Attn: Thomas A. Cloud
301 East Pine Street, Suite 1400
Orlando, FL 32801

Except as otherwise specified herein, all notices and other communications shall be deemed to have been duly given on (i) the date of receipt if delivered personally, (ii) the date five (5) days after posting if transmitted by certified mail, or (iii) one day after depositing such notice with a nationally recognized overnight delivery service, whichever shall first occur. Either party may change its address for purposes hereof by notice to the other.

16. Liability to Third Persons. The Secured Party shall, in no event, be liable to the Debtor or any third person for damages of any kind, including but not limited to direct, indirect, special or consequential damages resulting from the existence, use or operation of the Collateral hereunder, or the administration of this Agreement, or any collection action or activities related thereto, except as resulting from the willful misconduct or gross negligence of the Secured Party.

The Debtor shall, in no event, be liable to the Secured Party for any indirect, special or consequential damages resulting from the existence, use or operation of the Collateral hereunder, or the administration of this Agreement.

17. Intentionally Deleted.

18. Assignment. The Secured Party shall have the right to assign from time to time all or any part of its rights under this Agreement to any other person. No rights or obligations of the Debtor may be voluntarily assigned or delegated to another person without the prior written consent of the Secured Party. All provisions of this Agreement shall inure to the benefit of the successors and assigns of the Secured Party and shall bind the Debtor's successors and assigns.

19. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interests granted hereunder, or remedies hereunder, are governed by the laws of a jurisdiction other than such state. Unless otherwise defined herein, terms used in the Uniform Commercial Code in the State of Florida are used herein as therein defined.

20. Severability. If any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

21. Term. The term of this Agreement shall be from the date hereof until payment and performance in full of all of the Obligations.

SIGNATURES ON FOLLOWING PAGE

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IN WITNESS WHEREOF, the parties hereby, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the date first above written or typed.

Signed, sealed and delivered
in our presence:

DEBTOR:

POLK CITY, FLORIDA

% _____

By: _____

Joe LaCascia, Mayor

Printed Name: _____

Witness #1

% _____

Printed Name: _____

Witness #2

SECURED PARTY:

CITIZENS BANK AND TRUST

% _____

By: _____

Printed Name: _____

Print Name: _____

Witness #1

Its: _____

% _____

Printed Name: _____

Witness #2

CLOSING CERTIFICATE AND AGREEMENT

This Closing Certificate and Agreement (this "Certificate") is made and entered into as of November __, 2017, by and among Polk City, Florida, a municipal corporation ("Borrower"), and Citizens Bank and Trust (the "Lender").

The Borrower does hereby certify, agree, represent and warrant to Lender all of the following, as a material inducement to Lender in extending credit to Borrower and in funding and closing the Loan as such term is defined in the Loan Agreement, dated on or about the date hereof, among Borrower and Lender (as the same may be amended, modified, supplemented, renewed, restated or replaced from time to time "Loan Agreement").

1. The Borrower certifies that the Loan is solely for business or commercial purposes, and not for personal, family or household purposes, and in reliance upon the statements herein contained, Lender is making the Loan to Borrower without giving to Borrower any disclosures that may be otherwise required under various residential, consumer protection and truth in lending laws, or other various similar regulations.

2. The Borrower understands that the legal services paid to the law firm of Peterson & Myers, PA ("P&M") or otherwise shown on the Closing Statement for legal services are on behalf of Lender only and not on behalf of Borrower. These legal services are being paid for by Borrower and not the Agent. The charges for these legal services are being paid to P&M, and are for legal services performed and attributable to the processing and closing of the Loan. P&M is legal counsel only for Lender in connection with the Loan and is not representing Borrower. The Borrower has been furnished with copies of all documents to be signed in connection with the Loan and has had the opportunity to retain independent counsel of their choice to see that their legal interests and rights are protected.

3. The Borrower is required to provide their taxpayer identification numbers to Lender. If Borrower is an individual, his or her taxpayer identification number is his or her social security number. If Borrower is an entity, its taxpayer identification number is its federal employer identification number. Borrower may be subject to penalty imposed by the Internal Revenue Service if the correct taxpayer identification number is not provided to Lender. The Borrower certifies that the taxpayer identification number and social security numbers provided to Lender regarding this transaction are true, correct and complete and the Borrower will execute such W-9 forms and provide evidence of the same as requested by Lender.

4. The Borrower agrees to cooperate, adjust, initial, provide, deliver, execute, re-execute and redeliver any and all closing documents including, but not limited to, any notes, mortgages, deeds of trust, guarantees, deeds, affidavits and closing statements and the like if deemed necessary or desirable in the sole discretion of Lender in order to consummate or complete the Loan or to perfect Lender's lien(s), deed(s) of trust or mortgage(s), or otherwise satisfy Lender's requirements or internal approvals. It is the intention of Lender and Borrower that all documentation for the Loan shall be an accurate reflection of Lender's requirements. The Borrower agrees and covenants to assure that the Loan and its documentation will conform to Lender's requirements, and acknowledges that Lender is relying upon this agreement and the

covenants contained herein in closing this transaction and funding the Loan to Borrower. In the event Borrower fails to comply with this Section 4 within ten (10) days from the date of receipt of written demand by Lender, Borrower shall be liable to pay all reasonable attorney's fees and costs incurred thereafter by Lender in the enforcement of this Section 4, whether incurred in court proceedings or otherwise.

5. The Borrower certifies as follows: (a) there has been no material adverse changes in the condition of the property securing the Loan or in the financial condition of Borrower during the period from the date of the application for the Loan to the date of delivery hereof; (b) there has been no legal proceeding or filing either threatened or commenced by or against Borrower seeking bankruptcy, reorganization, arrangement, composition, readjustment of the indebtedness, liquidation, or dissolution of any of them, the appointment of a receiver for any of them, an assignment for the benefit of the creditors of any of them, a declaration that any of them are insolvent, or any similar relief under the Federal Bankruptcy Code (or any other applicable bankruptcy law) as now in force, or under any other federal or state statute or law of similar import; and (c) this Certificate bind the Borrower and their respective heirs, personal representatives, successors, and assigns, jointly and severally, and inure to the benefit of Lender, its successors and assigns.

6. The foregoing certifications are true and correct, and are made, as of the date of this Certificate. If any are incorrect or misleading in any material respect as of such date, or if Borrower fails to perform any undertaking set forth or incorporated into this Certificate in a timely fashion, Borrower agrees that Lender has all rights and remedies provided by the documents evidencing the Loan, including, without limitation, the election to declare a default thereunder.

7. This Certificate may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument. The signature of the Borrower to this Certificate sent by electronic transmission, including, without limitation, facsimile or email, shall be considered as an original signature for all purposes.

SIGNATURES ON SEPARATE PAGES TO FOLLOW

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

The Borrower and Lender have executed this Certificate effective as of the date first written above.

POLK CITY, FLORIDA

By: _____
Joe LaCascia, Mayor

CITIZENS BANK AND TRUST

By: _____
Print Name: _____
Its: _____

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT FORM**

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON David G. Fisher (863) 676-7611	
B. Email Address	
C. SEND ACKNOWLEDGEMENT TO:	
Name	David G. Fisher
Address	Peterson & Myers, P.A.
Address	232 W. Central Avenue
City/State/Zip	Winter Haven, FL 33880

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – INSERT ONLY ONE DEBTOR NAME (1a OR 1b) – Do Not Abbreviate or Combine Names

1.a ORGANIZATION'S NAME POLK CITY, FLORIDA				
1.b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1.c MAILING ADDRESS Line One 123 Broadway Blvd., SE		This space not available.		
MAILING ADDRESS Line Two	CITY Polk City	STATE FL	POSTAL CODE 33868	COUNTRY USA

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – INSERT ONLY ONE DEBTOR NAME (2a OR 2b) – Do Not Abbreviate or Combine Names

2.a ORGANIZATION'S NAME				
2.b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2.c MAILING ADDRESS Line One		This space not available.		
MAILING ADDRESS Line Two	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – INSERT ONLY ONE SECURED PARTY (3a OR 3b)

3.a ORGANIZATION'S NAME Citizens Bank and Trust				
3.b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3.c MAILING ADDRESS Line One 222 State Road 60 East		This space not available.		
MAILING ADDRESS Line Two	CITY Lake Wales	STATE FL	POSTAL CODE 33853	COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

All revenues of the Debtor's communications service tax and half-cent sales tax, and all accessions to, substitutions for and replacements, products and proceeds of any of the foregoing.

5. ALTERNATE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR
 AG LIEN NON-UCC FILING SELLER/BUYER

6. Florida DOCUMENTARY STAMP TAX – YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.
 Florida Documentary Stamp Tax is not required.

7. OPTIONAL FILER REFERENCE DATA

Instructions for State of Florida UCC Financing Statement Form (Form UCC-1)

- Please type or laser-print this form. Be sure it is completely legible. Read all instructions on form. Forms must be completed according to Florida state law.
- Fill in form very carefully. If you have questions, consult your attorney. Filing office cannot give legal advice.
- Processing fees are set by the Florida Legislature, are non-refundable, and are subject to change. To verify processing fees, contact FLORIDAUCC, LLC. at (850) 222-8526 or email help@floridaucc.com.
- Make checks payable to FLORIDAUCC, LLC. or the Florida Department of State.
- Send ONE copy of each filing request, with the appropriate non-refundable processing fee to:

<u>1st Class Mail</u>	<u>Overnight Courier Service</u>
FLORIDAUCC, LLC.	FLORIDAUCC, LLC.
PO Box 5588	2002 Old St. Augustine Rd. Bldg. D
Tallahassee, FL 32314	Tallahassee, FL 32301
- The acknowledgement copy will be returned to the address indicated in block B.
- Do not insert anything in the open space in the upper right hand portion of this form; it is reserved for filing office use.
- If you need to use attachments, you are encouraged to use the State of Florida Uniform Commercial Code Financing Statement Form – Addendum and/or the State of Florida Uniform Commercial Code Financing Statement Form - Additional Party and/or the State of Florida Uniform Commercial Code Financing Statement Form – Additional Information.