

RESOLUTION NO. 233

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA ACCEPTING THE PROPOSAL OF TD BANK, N.A. TO PROVIDE THE COUNTY WITH A TERM LOAN IN ORDER TO REFUND A PORTION OF THE COUNTY'S OUTSTANDING SALES TAX REVENUE REFUNDING BONDS, SERIES 2012A, SALES TAX REVENUE REFUNDING BONDS, SERIES 2012B AND TRANSPORTATION IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2012A, IN ORDER TO ACHIEVE DEBT SERVICE SAVINGS; APPROVING THE FORM OF LOAN AGREEMENTS; AUTHORIZING THE ISSUANCE OF THE ST. JOHNS COUNTY, FLORIDA TAXABLE SPECIAL OBLIGATION REFUNDING REVENUE NOTE, SERIES 2021, PURSUANT TO A LOAN AGREEMENT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$53,000,000 IN ORDER TO EVIDENCE SUCH LOAN; APPROVING THE FORM OF A BOND PURCHASE AND EXCHANGE AGREEMENT AND THE ISSUANCE OF TAX-EXEMPT NOTE IN EXCHANGE FOR THE SERIES 2021 NOTE; AUTHORIZING THE REPAYMENT OF SUCH NOTES FROM A COVENANT TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM REVENUES; DELEGATING CERTAIN AUTHORITY TO THE CHAIRMAN, THE COUNTY ADMINISTRATOR, CLERK AND OTHER OFFICERS OF THE COUNTY FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF THE LOAN AGREEMENTS, THE BOND PURCHASE AND EXCHANGE AGREEMENT, THE NOTES AND VARIOUS OTHER DOCUMENTS WITH RESPECT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF ESCROW DEPOSIT AGREEMENTS AND THE APPOINTMENT OF ESCROW AGENTS THERETO; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA:

SECTION 1. DEFINITIONS. When used in this Resolution, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreements (as defined herein), unless the context clearly indicates a different meaning.

"Act" shall mean the Florida Constitution, Chapter 125, Florida Statutes, and other applicable provisions of law.

"Board" shall mean the Board of County Commissioners of St. Johns County, Florida.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A., and its successors and assigns.

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

"Chairman" shall mean the Chairman of the Board or, in his or her absence or unavailability, the Vice Chairman of the Board.

"Clerk" shall mean the Clerk of the Circuit Court of St. Johns County, Florida and Ex-Officio Clerk of the Board of County Commissioners of the St. Johns County, Florida and such other person as may be duly authorized to act on her or his behalf, including any Deputy Clerk.

"County" shall mean St. Johns County, Florida.

"County Administrator" shall mean the County Administrator of the County or, in his or her absence or unavailability, any Assistant County Administrator or a designee of the County Administrator.

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

"Loan Agreements" shall mean, collectively, the Series 2021 Loan Agreement and the Series 2022 Loan Agreement.

"Non-Ad Valorem Revenues" shall have the meaning assigned such term in the Loan Agreements.

"Noteholder" or **"Holder"** or **"holder"** or any similar term, when used with reference to a Note, shall mean TD Bank, N.A. and its successors and assigns.

"Notes" shall mean, collectively, the 2021 Note and the 2022 Note.

"Refunded Bonds" shall mean, collectively, that portion of the Series 2012 Sales Tax Bonds which mature on or after October 1, 2023, and that portion of the Series 2012 Transportation Bonds which mature on or after October 1, 2023.

"Resolution" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by a supplemental resolution.

"Series 2012 Sales Tax Bonds" shall mean, collectively, the St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2012A and St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2012B.

"Series 2012 Transportation Bonds" shall mean St. Johns County, Florida Transportation Improvement Revenue Refunding Bonds, Series 2012A.

"Series 2021 Loan Agreement" shall mean the Loan Agreement to be executed between the initial Noteholder and the County, which shall be substantially in the form attached hereto as Exhibit B.

"Series 2022 Loan Agreement" shall mean the Loan Agreement to be executed between the initial Noteholder and the County in connection with the issuance of the Series 2022 Note, which shall be substantially in the form of the Series 2021 Loan Agreement, and as further described in Section 8(C) hereof.

"2021 Note" shall mean the St. Johns County, Florida Taxable Special Obligation Refunding Revenue Note, Series 2021, to be issued pursuant to the 2021 Loan Agreement.

"2022 Note" shall mean the St. Johns County, Florida Special Obligation Refunding Revenue Note, Series 2022, to be issued pursuant to the 2022 Loan Agreement, if issued.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act. The County has ascertained and hereby determined that adoption of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the County in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the County herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the County.

SECTION 3. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of the 2021 Note by the Noteholder, the

provisions of this Resolution shall be a part of the contract of the County with the Noteholder and shall be deemed to be and shall constitute a contract between the County and the Noteholder. The provisions, covenants and agreements in this Resolution set forth to be performed by or on behalf of the County shall be for the benefit, protection and security of the Noteholder.

SECTION 4. FINDINGS. It is hereby ascertained, determined and declared that:

(A) The County previously issued its Series 2012 Sales Tax Bonds and its Series 2012 Transportation Bonds to refinance the acquisition, construction and equipping of various capital improvements within the County.

(B) In order to achieve certain debt service savings for the County, the Financial Advisor for the County solicited bids on behalf of the County from various financial institutions to provide a term loan to the County to refund a portion of the Series 2012 Sales Tax Bonds and Series 2012 Transportation Bonds.

(C) The Noteholder submitted its proposal to provide the County with a term loan to refund the Refunded Bonds, which proposal was the most favorable proposal received by the County and is attached hereto as Exhibit A (the "Proposal").

(D) The 2021 Note shall evidence such term loan and shall be repaid solely from the Non-Ad Valorem Revenues in the manner and to the extent set forth herein and in the Series 2021 Loan Agreement and the ad valorem taxing power of the County will never be necessary or authorized to pay said amounts.

(E) If and when issued in exchange for the 2021 Note pursuant to the provisions of the Bond Purchase and Exchange Agreement and the Series 2022 Loan Agreement, the 2022 Note shall evidence the term loan from the Noteholder and shall be repaid solely from the Non-Ad Valorem Revenues in the manner and to the extent set forth herein and in the Series 2022 Loan Agreement and the ad valorem taxing power of the County will never be necessary or authorized to pay said amounts.

(F) Due to the potential volatility of the market for municipal obligations such as the Notes and the complexity of the transactions relating to such Notes, it is in the best interest of the County to issue the Notes by a negotiated sale to the Noteholder, allowing the County to sell and issue the Notes at the most advantageous times, rather than at specified advertised dates, thereby permitting the County to obtain the best possible prices, terms and interest rates for the Notes.

SECTION 5. AUTHORIZATION OF THE REFUNDING OF THE REFUNDED BONDS. The refunding of the Refunded Bonds is hereby authorized.

SECTION 6. ACCEPTANCE OF PROPOSAL. The County hereby accepts the Proposal of the Noteholder to provide the County with a term loan to refund the Refunded Bonds, a copy of which Proposal is attached hereto as Exhibit A. The County Administrator is hereby authorized to execute and deliver any documents required to formally accept such Proposal and the terms thereof. All actions taken by such officers or their designees and the Financial Advisor with respect to such Proposal prior to the date hereof are hereby authorized and ratified. To the extent of any conflict between the provisions of this Resolution or either of the Loan Agreements and the Proposal, the provisions of this Resolution and the Loan Agreements shall prevail.

SECTION 7. APPROVAL OF TERM LOAN, FORM OF SERIES 2021 LOAN AGREEMENT AND 2021 NOTE. The County hereby approves a term loan from the Noteholder in the principal amount of not to exceed \$53,000,000. The terms and provisions of the Series 2021 Loan Agreement in substantially the form attached hereto as Exhibit B are hereby approved, with such changes, insertions and additions as the Chairman may approve. The County hereby authorizes the Chairman to execute and deliver, and the Clerk to attest and affix the County seal to, the Series 2021 Loan Agreement substantially in the form attached hereto as Exhibit B, with such changes, insertions and additions as the Chairman may approve, his execution thereof being conclusive evidence of such approval. In order to evidence the loan under the Series 2021 Loan Agreement, it is necessary to provide for the execution of the 2021 Note. The Chairman is authorized to execute and deliver, and the Clerk to attest and affix the County seal to, the 2021 Note substantially in the form attached to the Series 2021 Loan Agreement as Exhibit A with such changes, insertions and additions as the Chairman may approve, his execution thereof being evidence of such approval. The Note shall have a final maturity of October 1, 2034 and bear interest as provided in the Series 2021 Loan Agreement. The Chairman shall determine, with the advice of the Financial Advisor, the principal amount of the 2021 Note and the principal repayment schedule for the 2021 Note and all of such terms shall be set forth in the Series 2021 Loan Agreement and the 2021 Note.

SECTION 8. APPROVAL OF FORM OF BOND PURCHASE AND EXCHANGE AGREEMENT, 2022 NOTE AND SERIES 2022 LOAN AGREEMENT. (A) The terms and provisions of the Bond Purchase and Exchange Agreement in substantially the form attached hereto as Exhibit C are hereby approved, with such changes, insertions and additions as the Chairman may approve. The County hereby authorizes the Chairman to execute and deliver, and the Clerk to attest and affix the County seal to, the Bond Purchase and Exchange Agreement in the form attached hereto as Exhibit C, with such changes, insertions and additions as the Chairman may approve, his execution thereof being conclusive evidence of such approval.

(B) The Chairman is authorized, upon the advice of the Financial Advisor and Bond Counsel, to cause the issuance of the 2022 Note in an aggregate principal amount equal to the then outstanding principal amount of the Series 2021 Note in exchange for and

to refund, on a current basis, the 2021 Note, to the extent and in the manner provided in the Bond Purchase and Exchange Agreement. The Chairman is authorized to execute and deliver, and the Clerk to attest and affix the seal to, the 2022 Note substantially in the form of the 2021 Note, with such changes, insertion and additions as may be necessary to conform it to the Proposal and as the Chairman may approve, his execution thereof being evidence of such approval. The 2022 Note shall have the same final maturity and amortization schedule as the Series 2021 Note as of the Exchange Date and shall bear interest as provided in the Proposal. All of the terms and provisions of the 2022 Note shall reflect the terms and provisions of the Proposal and shall be set forth in the Series 2022 Loan Agreement and the 2021 Note.

(C) The County hereby authorizes the Chairman to execute and deliver, and the Clerk to attest and affix the County seal to, the Series 2022 Loan Agreement substantially in the form of the Series 2021 Loan Agreement with such changes, insertions and additions as may be necessary to conform to the Proposal and to incorporate the transactions contemplated by the Bond Purchase and Exchange Agreement and as the Chairman may approve, his execution thereof being conclusive evidence of such approval.

SECTION 9. ESCROW AGENTS; AUTHORIZATION OF EXECUTION AND DELIVERY OF ESCROW AGREEMENTS. (A) U.S. Bank, National Association ("U.S. Bank") is hereby appointed escrow agent with respect to the refunding of that portion of the Refunded Bonds which constitute Series 2012 Sales Tax Bonds (the "Refunded Sales Tax Bonds"). The Escrow Agreement related to the Refunded Sales Tax Bonds (the "Refunded Sales Tax Bonds Escrow Agreement") substantially in the form attached hereto as Exhibit D, with such omissions, insertions and variations as may be approved on behalf of the County by the Chairman, such approval to be evidenced conclusively by the Chairman's execution thereof, is hereby approved and authorized with respect to the refunding of the Refunded Sales Tax Bonds. The County hereby authorizes and directs the Chairman to execute, and the Clerk to attest and affix the seal to, the Refunded Sales Tax Escrow Agreement and to deliver the same to U.S. Bank. All of the provisions of the Refunded Sales Tax Escrow Agreement, when executed, dated and delivered by or on behalf of the County as authorized herein and by or on behalf of U.S. Bank, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein. The Chairman shall determine, upon the advice of the Financial Advisor, whether to purchase United States Treasury obligations - State and Local Government Series ("SLGs") or open market United States Treasury obligations ("Open Market Securities") for deposit to the escrow fund created under the Refunded Sales Tax Escrow Agreement. In connection therewith, the Financial Advisor, and any affiliate thereof, are each authorized to take all action as is necessary to subscribe for SLGs or to bid out the provision of Open Market Securities and the County shall pay all associated fees and costs.

(B) Regions Bank ("Regions") is hereby appointed escrow agent with respect to the refunding of that portion of the Refunded Bonds which constitute Series 2012 Transportation Bonds (the "Refunded Transportation Bonds"). The Escrow Agreement related to the Refunded Transportation Bonds (the "Refunded Transportation Bonds Escrow Agreement") substantially in the form attached hereto as Exhibit D, with such omissions, insertions and variations as may be approved on behalf of the County by the Chairman, such approval to be evidenced conclusively by the Chairman's execution thereof, is hereby approved and authorized with respect to the refunding of the Refunded Transportation Bonds. The County hereby authorizes and directs the Chairman to execute, and the Clerk to attest and affix the seal to, the Refunded Transportation Bonds Escrow Agreement and to deliver the same to Regions. All of the provisions of the Refunded Transportation Bonds Escrow Agreement, when executed, dated and delivered by or on behalf of the County as authorized herein and by or on behalf of Regions, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein. The Chairman shall determine, upon the advice of the Financial Advisor, whether to purchase SLGs or Open Market Securities for deposit to the escrow fund created under the Refunded Transportation Bonds Escrow Agreement. In connection therewith, the Financial Advisor, and any affiliate thereof, are each authorized to take all action as is necessary to subscribe for SLGs or to bid out the provision of Open Market Securities and the County shall pay all associated fees and costs.

SECTION 10. LIMITED OBLIGATION. The obligation of the County to repay the Notes is a limited and special obligation payable from Non-Ad Valorem Revenues solely in the manner and to the extent set forth in the Loan Agreements and shall not be deemed a pledge of the faith and credit or taxing power of the County and such obligation shall not create a lien on any property whatsoever of or in the County. The Non-Ad Valorem Revenues shall consist of legally available Non-Ad Valorem Revenues budgeted and appropriated by the Board to pay debt service on the Notes, all in the manner and to the extent described in the Loan Agreements.

SECTION 11. GENERAL AUTHORIZATION. The Chairman, the County Administrator and the Clerk are authorized to execute and deliver such documents, instruments and contracts, whether or not expressly contemplated hereby; and the County Attorney and other employees or agents of the County are hereby authorized and directed to do all acts and things required hereby or thereby as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution.

SECTION 12. REPEAL OF INCONSISTENT DOCUMENTS. All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 13. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 1st day of June 2021.

(SEAL)

**BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA**

By: *Jeremiah R. Blocker*
Jeremiah R. Blocker, Chair

ATTEST: Brandon J. Patty, Clerk of the Circuit Court and Comptroller

By: *Pam Salterman*
Deputy Clerk

RENDITION DATE 6/3/21



EXHIBIT A

TD Bank, N.A. Proposal



TD Bank, N.A.
301 East Pine Street, Suite 1000
Orlando, FL 32801
Tel: 407-622-3563
Fax: 407-423-0070
Sterling.Harrell@td.com

April 23, 2021

Mr. Jesse Dunn
Director of Management and Budget
St. Johns County
4010 Lewis Speedway
St. Augustine, FL 32084

Mr. Jay Glover
Managing Director
PFM Financial Advisors LLC
300 S. Orange Avenue, Suite 1170
Orlando, FL 32801

Ms. Aurora Pavlish-Carpenter
Financial Advisory Analyst
PFM Financial Advisors LLC
300 S. Orange Avenue, Suite 1170
Orlando, FL 32801

RE: Request for Proposal for Direct Bank Loan

Dear Mr. Dunn, Mr. Glover, and Ms. Pavlish-Carpenter,

In response to the Request for Proposal for St. Johns County, TD Bank, N.A. (the "Bank") is pleased to submit the following proposal to St. Johns County, Florida (the "County").

The structure of the proposed Credit Accommodation is outlined in the attached term sheet which provides a statement of suggested terms, but under no circumstance shall such statement be construed as a complete summarization of terms necessary for consummation of the proposed Credit Accommodation. PLEASE NOTE THIS PROPOSAL IS SUBJECT TO FORMAL CREDIT REVIEW AND UNDERWRITING IN ACCORDANCE WITH THE BANK'S INTERNAL POLICY AND NOTHING HEREIN SHALL CONSTITUTE A BINDING COMMITMENT TO LEND. Further, we expressly advise you that TD Bank, N.A. has not approved the Credit Accommodation. The Bank shall not be liable to the Borrower or any other person for any losses, damages or consequential damages which may result from the Borrower's reliance upon this proposal letter, the proposed Credit Accommodation, the proposed term sheet or any transaction contemplated hereby.

The Bank's Loan Proposal is subject to receipt by the County prior to 1:00 pm eastern standard time on April 23, 2021 and is contingent upon a Loan Closing with mutually acceptable documents between the County and Bank on or before June 9, 2021, unless otherwise negotiated between the Parties.

This letter, including the terms contained within the proposed Credit Accommodation, is delivered to you on the condition that its existence and its contents will not be disclosed without our prior written approval, except (i) as may be required to be disclosed in any legal proceeding or as may otherwise be required by law and on a confidential and "need to know" basis, to your directors, officers, employees, advisors and agents.

We appreciate this opportunity and are delighted to provide this Proposal. We look forward to working with you to successfully complete this transaction. My contact information is noted above.

Very truly yours,

TD BANK, N.A.

By: 
Sterling Harrell
Director

TD Bank, N.A.

TERMS AND CONDITIONS OF CREDIT ACCOMMODATION DATED April 23, 2021 ("Loan")

THIS IS A STATEMENT OF TERMS AND CONDITIONS AND NOT A COMMITMENT TO LEND. ALL CREDIT ACCOMMODATIONS ARE SUBJECT TO FORMAL CREDIT UNDERWRITING AND APPROVAL.

1. Loan

- a) **Borrower:** St. Johns County, FL (the "Borrower")
- b) **Facility:** Series 2021: Bank Loan (the "2021 Note") issued as a "Cinderella" Bond, as described herein.
- c) **Purpose:** The 2021 Note will be issued to (i) refund the County's outstanding 2012 Sales Tax Bonds maturing on and after October 1, 2023, (ii) refund the County's outstanding 2012 Transportation Bonds maturing on and after October 1, 2023 and (iii) pay costs of issuing the 2021 Bond.
- d) **Amount:** Not to exceed \$52,500,000.00 USD
- e) **Security:** The 2021 Note, and the exchanged tax-exempt bond, if applicable, and the interest thereon shall be secured by a covenant to budget and appropriate from all non-ad valorem revenues of the County not derived from ad valorem taxation and which are lawfully available to be used to pay debt service on amounts due under the 2021 Bond.
- f) **Settlement Date:** Estimated June 9, 2021
- g) **Maturity:** October 1, 2034
- h) **Repayment Terms:** Interest on the 2021 Note, and the exchanged tax-exempt bond, if applicable, shall be calculated based on a 360-day year comprised of twelve 30-day months, payable semiannually on April 1 and October 1, commencing on October 1, 2021.

Principal on the 2021 Note will be paid annually on October 1, commencing October 1, 2021, with final maturity of October 1, 2034 in accordance with the Amortization Schedule attached in Appendix A.
- i) **Interest Rate:** Taxable Fixed Rate: 1.75% until satisfaction of conditions to convert to the tax-exempt rate as described below.

This rate will be held until a settlement date no later than June 9, 2021 so long as the Bank receives notification that it will be recommended Lender on or before 1:00PM EST on April 28, 2021.

In the event the selection or closing goes beyond the dates noted above, the fixed interest rate will be determined by mutual agreement between the parties.

The initial taxable rate may be converted to a tax-exempt rate of 1.43%, which based on current tax law we understand can be within 90 days prior to the 2012 Bond's first optional redemption date (October 1, 2022), provided that there shall be no default or event of default and there shall be delivered to the Bank an opinion of bond counsel that the interest on the 2021 Note is excludable from gross income of the owners thereof for Federal income tax purposes. Until the conditions precedent for the conversion to the tax-exempt rate shall be satisfied, the 2021 Note shall continue to bear interest at the taxable rate.

j) **Prepayment Provision:**

Option A: At the time of any full or partial prepayment, (i) A "Yield Maintenance Fee" in an amount computed as follows shall apply:

This Note may be prepaid on any Business Day in whole or in part upon thirty (30) days prior written notice to the Bank. In the event of any prepayment of the 2021 Note, whether by voluntary prepayment, acceleration or otherwise, the Borrower shall, at the option of the Bank, pay a "fixed rate prepayment charge" equal to the greater of (i) 1.00% of the principal balance being prepaid multiplied by the "Remaining Term," as hereinafter defined, in years or (ii) a "Yield Maintenance Fee" in an amount computed as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Stated Interest Rate" in effect at the time of prepayment. If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed prepayment charge" due to the Bank upon prepayment of the principal of this Loan plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

Yield Maintenance Fee = [Amount Being Prepaid x (Stated Interest Rate - Current Cost of Funds) x Days in the Remaining Term/360 days] + any accrued interest due "Remaining Term."

"Remaining Term" as used herein shall mean the remaining term of the 2021 Note.

Option B: Borrower can elect to have a "No Prepayment" penalty associated with 2021 Note by adding a premium of 1 basis points to the quoted proposed Loan Rates.

Partial prepayments shall be applied in inverse order of maturity, treating scheduled amortization installments as maturities.

k) **Default Rate of Interest:**

The "default rate of interest" shall be six (6) percentage points in excess of the Prime Rate as quoted in the Wall Street Journal. Prime Rate shall

have a floor of 3%.

Events of Default: Will include, but not be limited to:

- (1) Violation of covenants.
- (2) Bankruptcy or insolvency.
- (3) Payment default.

l) **Late Charges:**

If any payment due the Bank is more than fifteen (15) days overdue, a late charge of six percent (6%) of the overdue payment shall be assessed.

2. **Fees and Expenses:** The Borrower shall pay to the Bank on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Bank in connection with the loan. The County's bond counsel will provide documentation associated with this transaction. Documentation will be subject to the review and approval of the Bank and the Bank's counsel. The County agrees to pay all legal fees and expenses of the Bank associated with the review and closing of this transaction, which costs may be paid with proceeds of the Loan with a maximum time basis not to exceed \$17,000 upon initial issuance and \$5,000 upon conversion of taxable loan to tax-exempt loan. Bank's counsel shall be the following:

Michael Wiener
Holland & Knight LLP
2115 Harden Blvd.
Lakeland, FL 33803
(863) 499-5362

3. **Financial Reporting:**

a) **Borrower(s) shall furnish the following financial reports:**

<u>Type of Report(s)</u>	<u>Frequency</u>	<u>Due Date</u>
Audited Financial Statements	Annually	Within 270 days after the end of the fiscal year
Annual Budget	Annually	Within 60 days after its adoption
Anti-Dilution Compliance Certificate	Annually	Within 270 days after the end of the fiscal year

The Bank reserves the right to request reasonable additional financial information to supplement or verify certain financial assumptions or verify the creditworthiness of the Borrower.

4. Legal Opinion:

Prior to closing, there shall be delivered to the Bank: (A) an opinion of Bond Counsel acceptable to the Bank covering matters customary for a transaction of this type and nature and which shall, without limitation, opine that: (1) the Borrower is duly formed; (2) all loan documents have been validly authorized and executed by and on behalf of the Borrower, if any; (3) all loan documents are valid, binding, enforceable in accordance with their terms and do not violate any legal requirements, including without limitation, organizational documents, laws and material agreements; (4) the loan and loan documents are exempt from registration and qualification under the Securities Act of 1933 and Trust Indenture Act of 1939, and (5) the interest on the 2021 Note is not excludable from the gross income of the Bank and (B) An opinion of counsel to the Borrower in form and substance satisfactory to the Bank.

5. Financial Covenants:

All standard covenants and provisions shall be applicable to the Loans, including but not limited to:

Anti-Dilution Test: During such time as the 2021 Note is outstanding under the Resolution, the County agrees and covenants that (a) Non-Ad Valorem Revenues shall cover the Maximum Annual Debt Service on the Series 2021 Note and maximum annual debt service on Debt by at least 1.5 times, and (b) projected Maximum Annual Debt Service on the 2021 Note and maximum annual debt service for all Debt will not exceed twenty percent (20%) of Governmental Funds Revenue, exclusive of (i) ad valorem tax revenues restricted to payment of debt service on any Debt and (ii) any proceeds of the 2021 Note or debt. The calculations required by clauses (a) and (b) above shall be determined using the average of actual receipts for the prior two Fiscal Years based on the County's annual audited financial statements.

6. Other Conditions:

- a. No Material Adverse Change to the Borrower.
- b. The implementation of certain terms, conditions, covenants or other non-material changes to the proposed Credit Accommodation required as part of the Bank's formal credit approval shall be deemed an approval in substantially the form outlined in this proposed Credit Accommodation.
- c. All standard representations, warranties, rights and remedies in the event of default that are acceptable to the Bank.
- d. Most Favored Nations clause shall be included in the loan documents that states the Bank will receive benefit of acceleration or more favorable financial covenants if these are provided to another lender/bondholder backed by a covenant to budget and appropriate while the Loan is outstanding.
- e. Borrower shall maintain a minimum Public Debt Rating of A3/A- while the 2021 Note is outstanding. Non maintenance will trigger a default rate of interest.
- f. Documents for the 2021 Note will, effective upon a conversion to the tax-exempt interest rate, include determination of taxability language (including retroactive interest, penalties and other fees and costs associated therewith) allowing for a higher taxable loan rate should the IRS deem the Loan to be a taxable facility due to events associated with action or inaction of Borrower.
- g. All legal matters and documentation to be executed in connection with the contemplated proposed Credit Accommodation shall be satisfactory in form and substance to the Bank and counsel to the Bank.
- h. The Bank shall not be required to enter into the proposed Credit Accommodation until the completion of all due diligence inquiries, receipt of approvals from all requisite parties and the execution and receipt of all necessary documentation reasonably acceptable to the Bank and its counsel. Furthermore, certain assumptions are made for this proposal which, if altered, could affect the overall credit approval and or terms of the proposed Credit Accommodation.
- i. Upon the conversion to the tax-exempt rate, accrued interest on the taxable loan will be due and payable. Upon issuance of taxable loan, all material documentation and forms of opinions to be agreed to and final forms set forth in a forward delivery and exchange agreement.

Patriot Act Notice. Lender is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56) (signed into law October 26, 2001)) (the "Act") and hereby notifies the Borrower and Guarantor that

pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower and Guarantor, which information includes the name and address of the Borrower and Guarantor and other information that will allow Lender to identify the Borrower and Guarantor in accordance with the Act.

THIS PROPOSAL IS NOT AND SHOULD NOT BE CONSTRUED AS A COMMITMENT BY THE BANK OR ANY AFFILIATE TO ENTER INTO ANY CREDIT ACCOMMODATION.

Appendix A: Amortization Schedule

10/1/2021	\$465,000
10/1/2022	\$390,000
10/1/2023	\$4,265,000
10/1/2024	\$4,325,000
10/1/2025	\$4,395,000
10/1/2026	\$4,465,000
10/1/2027	\$4,540,000
10/1/2028	\$4,620,000
10/1/2029	\$4,700,000
10/1/2030	\$4,770,000
10/1/2031	\$4,855,000
10/1/2032	\$4,930,000
10/1/2033	\$2,800,000
10/1/2034	\$2,845,000

EXHIBIT B

Form of Series 2021 Loan Agreement

LOAN AGREEMENT

BETWEEN

ST. JOHNS COUNTY, FLORIDA

AND

TD BANK, N.A.

Dated as of June __, 2021

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This **LOAN AGREEMENT** (the "Agreement") is made and entered into as of June __, 2021, by and between **ST. JOHNS COUNTY, FLORIDA**, a political subdivision of the State of Florida, and its successors and assigns (the "County"), and **TD BANK, N.A.**, a national banking association and its successors and assigns (the "Noteholder");

WITNESSETH:

WHEREAS, the County is authorized by provisions of applicable law to, among other things, acquire, construct, equip, own, sell, lease, operate and maintain various capital improvements and public facilities to promote the health, welfare and economic prosperity of the residents of the County and to borrow money to finance and refinance the acquisition, construction, equipping and maintenance of such capital improvements and public facilities; and

WHEREAS, the County previously issued its Series 2012 Sales Tax Bonds (as defined herein) and its Series 2012 Transportation Bonds (as defined herein) to refinance the acquisition, construction and equipping of various capital improvements within the County; and

WHEREAS, in order to achieve certain debt service savings for the County, PFM Financial Advisors LLC, the Financial Advisor for the County, solicited bids on behalf of the County from various financial institutions to provide a term loan to the County to refund a portion of the Series 2012 Sales Tax Bonds and Series 2012 Transportation Bonds (as further described herein, the "Refunded Bonds");

WHEREAS, the Noteholder provided the most beneficial proposal to the County to provide such term loan and is now willing to make the term loan to the County, and the County is willing to incur such term loan, pursuant to the terms and provisions of this Agreement in an aggregate principal amount of \$ _____ to refund the Refunded Bonds and pay costs relating to the issuance of the hereinafter described Note.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

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

ARTICLE I

DEFINITION OF TERMS

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

"Act" shall mean the State of Florida Constitution, Chapter 125, Florida Statutes, and other applicable provisions of law.

"Agreement" shall mean this Loan Agreement, dated as of June ___, 2021, between the County and the Noteholder and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Board" shall mean the Board of County Commissioners of St. Johns County, Florida.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the payment office of the Noteholder is closed.

"Chairman" shall mean the Chairman or Vice Chairman of the Board or such other person as may be duly authorized by the County to act on his or her behalf.

"Clerk" shall mean Clerk of the Circuit Court and Ex-Officio Clerk to the Board or such other person as may be authorized to act on his or her behalf.

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

"County" shall mean the St. Johns County, Florida, a municipal corporation duly organized and validly existing under the laws of the State of Florida.

"County Administrator" shall mean the County Administrator of the County, or such other person as may be authorized to act on his or her behalf.

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

immediately succeeding Fiscal Year. After an obligation is considered "Debt" as a result of the proviso set forth in the immediately preceding sentence, it shall continue to be considered "Debt" until the County has not used any Non-Ad Valorem Revenues to satisfy any portion of such obligation for two consecutive Fiscal Years.

"Default Rate" shall mean the lesser of (A) the Prime Rate, plus 600 basis points (6.00%) per annum, or (B) the maximum rate allowable under applicable law.

"Financial Advisor" shall mean County's financial advisor, PFM Financial Advisors LLC.

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

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

"Governmental Funds" shall mean all of the "governmental funds" of the County as described and identified in the annual audited financial statements of the County.

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

"Hedge Agreement" shall mean an agreement in writing between the County and the Counterparty pursuant to which (1) the County agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement and (2) the Counterparty agrees to pay to the County an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement.

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

"Interest Payment Date" shall have the meaning ascribed thereto in Section 3.01(c) hereof.

"Interest Rate" shall mean a fixed interest rate equal to 1.76% per annum. The Interest Rate for the Note is subject to adjustment pursuant to Section 5.02 hereof.

"Maturity Date" shall mean October 1, 2034.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the annual debt service on the Note and Debt scheduled to come due in any Fiscal Year in which the Note is outstanding under this Agreement; provided, however, in determining Maximum Annual Debt Service with respect to Debt the provisions of Section 2.05 shall apply.

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

"Non-Ad Valorem Revenues" shall mean all Governmental Funds Revenues other than revenues generated from ad valorem taxation on real or personal property, and which are legally available to make the payments required herein.

"Note" shall mean the St. Johns County, Florida Taxable Special Obligation Refunding Revenue Note, Series 2021, as more particularly described in Section 3.01 hereof.

"Noteholder" shall mean TD Bank, N.A., and its successors and assigns.

"Prime Rate" shall mean the rate quoted in the *Wall Street Journal* from time to time as the "prime rate," or, if the *Wall Street Journal* ceases publication or ceases to quote a "prime rate," such alternate interest rate as shall, in the reasonable opinion of the Noteholder, approximate such rate. For purposes of this Agreement, the Prime Rate shall never be lower than 3.00%.

"Principal Payment Date" shall have the meaning ascribed thereto in Section 3.01(c) hereof.

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

"Rating Agencies" means Fitch, Moody's and S&P.

"Refunded Bonds" means, collectively, that portion of the Series 2012 Sales Tax Bonds which mature on or after October 1, 2023, and that portion of the Series 2012 Transportation Bonds which mature on or after October 1, 2023.

"Resolution" shall mean Resolution No. _____ adopted by the Board on June 1, 2021, which, among other things, authorized the execution and delivery of this Agreement and the issuance of the Note.

"S&P" shall mean S&P Global Ratings, and any assigns and successors thereto.

"Series 2012 Sales Tax Bonds" shall mean, collectively, the St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2012A and St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2012B.

"Series 2012 Transportation Bonds" shall mean St. Johns County, Florida Transportation Improvement Revenue Refunding Bonds, Series 2012A.

"State" shall mean the State of Florida.

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

SECTION 1.03. TITLES AND HEADINGS. The titles and headings of the articles and sections of this Agreement, which have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

[Remainder of this page intentionally left blank]

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS; SECURITY FOR THE NOTE; ANTI-DILUTION

SECTION 2.01. REPRESENTATIONS BY THE COUNTY. The County represents, warrants and covenants that:

(a) The County is a political subdivision of the State. Pursuant to the Resolution, the County has duly authorized the execution and delivery of this Agreement, the performance by the County of all of its obligations hereunder, and the issuance of the Note in the aggregate principal amount of \$_____.

(b) The County has complied with all of the provisions of the Constitution and laws of the State, including the Act, and has full power and authority to enter into and consummate all transactions contemplated by this Agreement or under the Note, and to perform all of its obligations hereunder and under the Note and, to the best knowledge of the County, the transactions contemplated hereby do not conflict with the terms of any statute, order, rule, regulation, judgment, decree, agreement, instrument or commitment to which the County is a party or by which the County is bound.

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

(d) There are no actions, suits or proceedings pending or, to the best knowledge of the County, threatened against or affecting the County, at law or in equity, or before or by any governmental authority, that, if adversely determined, would materially impair the ability of the County to perform the County's obligations under this Agreement or under the Note or which would have a materially adverse effect on the City (financial or otherwise).

(e) The County will furnish to the Noteholder within 270 days after the close of each Fiscal Year a copy of the annual audited financial statements of the County and a certificate showing compliance with Section 2.05 hereof. The County will also will furnish to the Noteholder the annual budget within 60 days of adoption. With reasonable promptness the County shall provide such other data and information as may be reasonably requested by the Noteholder from time to time.

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

term loan to the County as evidenced hereby and by the Note for the purpose of refunding the Refunded Bonds and paying costs relating to the issuance of the Note.

SECTION 2.03. NOTE NOT TO BE INDEBTEDNESS OF COUNTY. The Note shall not be or constitute a general obligation or indebtedness of the County as a "bond" within the meaning of any constitutional or statutory provision, but shall be a special obligation of the County, payable solely from amounts budgeted and appropriated by the County from Non-Ad Valorem Revenues in accordance with Section 2.04 hereof. The Noteholder shall never have the right to compel the exercise of any ad valorem taxing power to pay the Note or be entitled to payment of the Note from any moneys of the County except from the Non-Ad Valorem Revenues in the manner and to the extent provided herein.

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

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the County from pledging in the future its Non-Ad Valorem Revenues, nor does it require the County to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Noteholder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the County. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Note, in the manner described herein, Non-Ad Valorem Revenues and placing on the County a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 129.07, Florida Statutes, which generally provide that the governing body of each county may only make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the County or which are legally mandated by applicable law.

SECTION 2.05. ANTI-DILUTION. During such time as the Note is outstanding hereunder, the County agrees and covenants with the Noteholder that (a) Non-Ad Valorem Revenues shall cover projected Maximum Annual Debt Service on the Note and other Debt by at least 1.5x; and (b) projected Maximum Annual Debt Service on the Note and all other Debt will not exceed 20% of Governmental Funds Revenues, exclusive of (i) ad valorem tax revenues restricted to payment of debt service on any Debt and (ii) any proceeds of the Note or Debt. The calculations required by clauses (a) and (b) above shall be determined using the average of actual receipts for the prior two Fiscal Years based on the County's annual audited financial statements. For purposes of the calculations required by clauses (a) and (b) above, Maximum Annual Debt Service on the Note and other Debt shall be done on an aggregate basis whereby the annual debt service for each is combined and the overall maximum is determined.

For the purposes of the covenants contained in this Section 2.05, Maximum Annual Debt Service on Debt means, with respect to Debt that bears interest at a fixed interest rate, the actual Maximum Annual Debt Service, and, with respect to Debt which bears interest at a variable interest rate, Maximum Annual Debt Service on such Debt shall be determined assuming that interest accrues on such Debt at the current "Bond Buyer Revenue Bond Index" as published in *The Bond Buyer* no more than two weeks prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, as defined in the immediately following sentence, Maximum Annual Debt Service on such Debt shall be determined assuming such Debt is amortized from its date of issuance over 25 years on an approximately level debt service basis. For purposes of the foregoing sentence, "Balloon Indebtedness" means Debt, 25% or more of the original principal of which matures during any one Fiscal Year. In addition, with respect to debt service on any Debt which is subject to a Qualified Hedge Agreement, interest on such Debt (or the portion thereof subject to such Qualified Hedge Agreement) during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time. With respect to debt service on any Debt with respect to which the County elects to receive or is otherwise entitled to receive direct subsidy payments from the United States Department of Treasury, when determining the interest on such Debt for any particular interest payment date the amount of the corresponding subsidy payment shall be deducted from the amount of interest which is due and payable with respect to such Debt on the interest payment date, but only to the extent that the County reasonably believes that it will be in receipt of such subsidy payment on or prior to such interest payment date.

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ARTICLE III

DESCRIPTION OF THE NOTE; PAYMENT TERMS; OPTIONAL PREPAYMENT; TRANSFER

SECTION 3.01. DESCRIPTION OF THE NOTE. (a) The County hereby authorizes the issuance and delivery of the Note to the Noteholder which Note shall be in an aggregate principal amount equal to _____ MILLION _____ HUNDRED _____ THOUSAND AND 00/100 DOLLARS (\$ _____) and shall be designated as the "St. Johns County, Florida Taxable Special Obligation Refunding Revenue Note, Series 2021." The text of the Note shall be substantially in the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable to reflect the particular terms of the Note. The provisions of the form of the Note are hereby incorporated in this Agreement.

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

(c) The Note shall bear interest from its date of issuance at the Interest Rate (calculated on the basis of twelve 30-day calendar months and a 360 day year) as the same may be adjusted pursuant to Section 5.02 hereof. Interest on the Note shall be payable semi-annually on October 1 and April 1 of each year, commencing October 1, 2021 (each an "Interest Payment Date") so long as any amount under the Note remains outstanding. Principal of the Note shall be payable annually on October 1 of each year, commencing October 1, 2021 (each a "Principal Payment Date"), through and including the Maturity Date. The principal payments shall be set forth in Appendix I attached to the Note.

(d) All payments of principal of and interest on the Note shall be payable in any coin or currency of the United States which, at the time of payment, is legal tender for the payment of public and private debts and shall be made to the Noteholder in whose name the Note shall be registered on the registration books maintained by the County as of the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date or Principal Payment Date (i) in immediately available funds, (ii) by delivering to the Noteholder no later than the applicable Interest Payment Date or Principal Payment Date a wire transfer, or (iii) in such other manner as the County and the Noteholder shall agree upon in writing. Notwithstanding the foregoing, the Noteholder shall be required to present and surrender the Note to the County only for the final payment of the principal of the Note or shall otherwise provide evidence that the Note has been fully paid and cancelled. If any Interest Payment Date or Principal Payment Date is not a

Business Day, the corresponding payment shall be due on the next succeeding Business Day. The County shall maintain books and records with respect to the identity of the holders of the Note, including a complete and accurate record of any assignment of this Agreement and the Note as provided in Section 3.01(f).

(e) Except as otherwise provided herein, the Noteholder shall pay for all of its costs relating to regular servicing the term loan provided hereby. The County shall pay the fees of the Noteholder's legal counsel in the amount of \$17,000.

(f) The Noteholder's right, title and interest in and to the Note and any amounts payable by the County thereunder may be assigned and reassigned in whole only by the Noteholder, without the necessity of obtaining the consent of the County; provided, that any such assignment, transfer or conveyance shall be made only to (i) an affiliate of the Noteholder or (ii) a bank, insurance company or their affiliate, provided that any such entity is purchasing the Note for its own account with no present intention to resell or distribute the Note, subject to each investor's right at any time to dispose of the Note as it determines to be in its best interests or (iii) a "qualified institutional buyer," as defined in Rule 144A of the Securities Act of 1933, or an "accredited investor," as defined in Rule 501 of Regulation D. Upon notification by the Noteholder to the County of the Noteholder's intent to assign and sell its right, title and interest in and to the Note as herein provided, the County agrees that it shall execute and deliver to the assignee Noteholder, a Note in the principal amount so assigned, registered in the name of the assignee Noteholder, executed and delivered by the County in the same manner as provided herein and with an appendix attached thereto setting forth the amounts to be paid on each Principal Payment Date with respect to the Note. In all cases of an assignment of the Note, the County shall at the earliest practical time enter the change of ownership in the registration books; provided, however, the written notice of assignment must be received by the Clerk no later than the close of business on the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date in order to have such transfer recorded on the books and records of the County on such next succeeding Interest Payment Date.

SECTION 3.02. OPTIONAL PREPAYMENT. The Note may be prepaid at the option of the County, from any moneys legally available therefor, upon notice as provided herein, in whole or in part at any time or from time to time, by paying to the Noteholder all or a part of the principal amount of the Note to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment, without penalty, premium or prepayment fee.

Any prepayment of the Note shall be made on such date and in such principal amount as shall be specified by the County in a written notice provided to the Noteholder not less than thirty (30) days prior thereto. Notice having been given as aforesaid, the amount of principal of the Note stated in such notice or the whole thereof, as the case may be, shall become due and payable on the date of prepayment stated in such notice, together with interest accrued and unpaid to the date of prepayment on the principal amount then being

paid. If on the date of prepayment moneys for the payment of the principal amount to be prepaid on the Note, together with interest to the date of prepayment on such principal amount, shall have been paid to the Noteholder as above provided, then from and after the date of prepayment, interest on such prepaid principal amount of the Note shall cease to accrue. If said money shall not have been so paid on the date of prepayment, such principal amount of the Note shall continue to bear interest until payment thereof at the Interest Rate.

All prepayments of the Note shall be applied in inverse order of scheduled principal payments unless otherwise agreed by the County and the Noteholder in writing. The Noteholder shall make appropriate notations in its records indicating the amount and date of any such prepayment and shall upon written request of the County promptly transmit an acknowledgment to the County indicating the amount and date of such prepayment.

[Remainder of this page intentionally left blank]

ARTICLE IV

CONDITIONS FOR ISSUANCE OF THE NOTE

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

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

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

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

[Remainder of this page intentionally left blank]

ARTICLE V

EVENTS OF DEFAULT; REMEDIES

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

(a) The County shall fail to make timely payment of principal or interest or any other amount then due with respect to the Note;

(b) Any representation or warranty of the County contained in Article II of this Agreement shall prove to be untrue in any material respect;

(c) Any covenant of the County contained in this Agreement shall be breached or violated for a period of thirty (30) days after the earlier of (i) when the County receives notice from the Noteholder of such breach or violation or (ii) when the County was aware of such event and was required herein to notify the Noteholder pursuant to Section 6.05 hereof, unless the Noteholder shall agree in writing, in its sole discretion, to an extension of such time prior to its expiration;

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

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

After the occurrence of an Event of Default or a Credit Event (as described below), notwithstanding any other terms hereof, the Note shall bear interest at the Default Rate until such Event of Default is cured or such Credit Event is no longer applicable, as the case may be. The County shall promptly notify the Noteholder of the occurrence of any Event of Default or Credit Event in accordance with Section 6.05 hereof. A Credit Event shall not be considered an Event of Default hereunder.

If the County has any outstanding, publicly offered general obligation bonds or bonds that are secured by a covenant to budget and appropriate Non-Ad Valorem Revenues then the County shall maintain no less than one public rating on at least one series of such bonds and it shall constitute a "Credit Event" for purposes of this Agreement if such rating is downgraded below A3/A-/A- (or the equivalent) by any of Moody's, S&P or Fitch, respectively, as the case may be, or if such rating is withdrawn or suspended for credit-related reasons. Notwithstanding the foregoing, if the County does not have any outstanding, publicly offered general obligation bonds or bonds that are secured by a covenant to budget and appropriate Non-Ad Valorem Revenues, it shall not be required to obtain any credit rating.

If any payment required to be made by the County hereunder or under the Note is more than fifteen (15) days past due, the County will pay to the Noteholder a late charge equal to six percent (6%) of the payment amount which is past due.

The County shall pay and reimburse the Noteholder, from Non-Ad Valorem Revenues budgeted and appropriated in accordance with the provisions hereof, for all costs, fees and expenses of the Noteholder (including the reasonable fees and expenses of Noteholder's counsel) incurred in connection with the enforcement of its rights hereunder.

[Remainder of this page intentionally left blank]

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. AMENDMENTS, CHANGES OR MODIFICATIONS TO THE AGREEMENT. This Agreement shall not be amended, changed or modified without the prior written consent of the Noteholder and the County. Notwithstanding the foregoing, if, in connection with the issuance of any additional indebtedness of the City that is secured by a covenant to budget and appropriate Non-Ad Valorem Revenues similar to the covenant of the City set forth in Section 2.04 hereof, the City provides the lender of such additional indebtedness acceleration rights as a remedy to any event of default, then such provision shall be deemed to be incorporated by reference herein and upon the request of the Noteholder, the City and the Noteholder shall promptly amend this Agreement so as to provide the Noteholder with the same provisions.

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

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

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

SECTION 6.05. NOTICE OF CHANGES IN FACT. Promptly after the County becomes aware of the same, the County will notify the Noteholder of (a) any change in any material fact or circumstance represented or warranted by the County in this Agreement or in connection with the issuance of the Note, and (b) any Credit Event, Event of Default or event which, with notice or lapse of time or both, could become an Event of Default under the Agreement, specifying in each case the nature thereof and what action the County has taken, is taking and/or proposed to take with respect thereto.

SECTION 6.06. NOTICES. Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or sent registered or certified mail, postage prepaid, to St. Johns County, Florida, 500 San Sebastian View, St. Augustine, FL 32084, Attention: County Administrator (with a copy to the Clerk), and to

the Noteholder, TD Bank, N.A., 301 East Pine Street, Suite 1000, Orlando, FL 32801, Attention: Sterling Harrell, Director, or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

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

SECTION 6.08. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, the County knowingly, voluntarily and intentionally waives any right it may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Agreement, the Note or any agreement contemplated to be executed in connection therewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the County or the Noteholder.

SECTION 6.09. APPLICABLE LAW; VENUE; ATTORNEY'S FEES. The substantive laws of the State of Florida shall govern this Agreement, the Note or any agreement contemplated to be executed in connection with this Agreement. The County submits to the jurisdiction of Florida courts and federal courts and agrees that venue for any suit concerning this Agreement shall be in St. Johns County, Florida and the Middle District of Florida.

[Remainder of page intentionally left blank]

SECTION 6.10. INCORPORATION BY REFERENCE. All of the terms and obligations of the Resolution are hereby incorporated herein by reference as if said Resolution was fully set forth in this Agreement and the Note.

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

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By: _____
Chairman, Board of County Commissioners

ATTESTED:

By: _____
Clerk of the Circuit Court and Ex-
Officio Clerk of the Board of County
Commissioners

TD BANK, N.A.

By: _____
Director

EXHIBIT A

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
ST. JOHNS COUNTY, FLORIDA
TAXABLE SPECIAL OBLIGATION REFUNDING
REVENUE NOTE SERIES 2021**

Interest Rate	Date of Issuance	Final Maturity Date
1.76% (subject to adjustment)	June __, 2021	October 1, 2034

KNOW ALL MEN BY THESE PRESENTS, that St. Johns County, Florida (the "County"), for value received, hereby promises to pay to the order of TD Bank, N.A., or its successors or assigns (the "Noteholder"), the principal sum of _____ AND 00/100 DOLLARS (\$ _____) pursuant to that certain Loan Agreement by and between the Noteholder and the County, dated as of June __, 2021 (the "Agreement"), and to pay interest on the outstanding principal amount hereof from the Date of Issuance set forth above, or from the most recent date to which interest has been paid, at the Interest Rate per annum (calculated on the basis of twelve 30-day calendar months and a 360 day year) identified above (subject to adjustment as provided in the Agreement) on October 1 and April 1 of each year (each an "Interest Payment Date"), commencing on October 1, 2021, so long as any amount under this Note remains outstanding. Principal of this Note shall be payable on October 1 of each year, commencing on October 1, 2021, through and including the Maturity Date, identified above. The principal payment schedule for this Note is set forth on Appendix I attached hereto. The principal and interest on this Note is payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. If any payment date is not a Business Day (as defined in the Agreement), the corresponding payment shall be due on the next succeeding Business Day provided that interest shall continue to accrue on principal until actually paid to the Noteholder and any additional interest shall be paid on the actual payment date. No presentment shall be required for any payment on this Note except upon the final payment of the principal of the Note.

This Note is issued under the authority of and in full compliance with the Florida Constitution, Chapter 125, Florida Statutes, and other applicable provisions of law, and pursuant to Resolution No. ____ duly adopted by the Board of County Commissioners of

the County on June 1, 2021 (the "Resolution"), as such Resolution may be amended and supplemented from time to time, and is subject to all terms and conditions of the Resolution and the Agreement. Any capitalized term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Agreement. This Note is being issued to refund certain outstanding indebtedness of the County as described in the Resolution and the Agreement.

This Note shall bear interest at the Interest Rate identified above calculated on the basis of twelve 30-day calendar months and a 360 day year. Such Interest Rate is subject to adjustment as provided in Section 5.02 of the Agreement. The Noteholder shall provide to the County upon request such documentation to evidence the amount of interest due with respect to the Note upon any such adjustment.

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

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

This Note shall not be or constitute a general obligation or indebtedness of the County as a "bond" within the meaning of any constitutional or statutory provision, but shall be special obligations of the County, payable solely from amounts budgeted and appropriated by the County from Non-Ad Valorem Revenues in accordance with Section 2.04 of the Agreement. The Noteholder shall never have the right to compel the exercise of any ad valorem taxing power to pay this Note, or be entitled to payment of this Note from any moneys of the County except from the Non-Ad Valorem Revenues in the manner and to the extent provided in the Agreement.

This Note may be prepaid at the option of the County, from any moneys legally available therefor, upon notice as provided in the Agreement, in whole or in part at any time or from time to time, by paying to the Noteholder all or a part of the principal amount of the Note to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment, without penalty, premium or prepayment fee. All prepayments of this Note shall be applied in inverse order of scheduled principal payments unless otherwise agreed by the County and the Noteholder in writing.

This Note shall be and have all the qualities and incidents of a negotiable instrument under the commercial laws and the Uniform Commercial Code of the State of Florida, subject to any provisions for registration and transfer contained in the Agreement. So long as any of this Note shall remain outstanding, the County shall maintain and keep books for the registration and transfer of this Note.

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

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By: _____
Chairman, Board of County Commissioners

ATTESTED:

By: _____
Clerk of the Board of County
Commissioners

Principal Payment Schedule for the
ST. JOHNS COUNTY, FLORIDA
TAXABLE SPECIAL OBLIGATION REFUNDING REVENUE NOTE,
SERIES 2021

<u>Date</u>	<u>Principal</u>
10/01/21	
10/01/22	
10/01/23	
10/01/24	
10/01/25	
10/01/26	
10/01/27	
10/01/28	
10/01/29	
10/01/30	
10/01/31	
10/01/32	
10/01/33	
10/01/34	

EXHIBIT C

Form of Bond Purchase and Exchange Agreement

BOND PURCHASE AND EXCHANGE AGREEMENT

between

ST. JOHNS COUNTY, FLORIDA

and

TD BANK, N.A.

Dated June __, 2021

Relating to:

St. Johns County, Florida
\$_____ Special Obligation Refunding Revenue Note, Series 2022

BOND PURCHASE AND EXCHANGE AGREEMENT

This **BOND PURCHASE AND EXCHANGE AGREEMENT** (this "Bond Exchange Agreement") is dated June __, 2021 and is between TD BANK, N.A., a national banking association (together with its successors and assigns, the "Purchaser") and ST. JOHNS COUNTY, FLORIDA (the "Issuer"), a political subdivision of the State of Florida (the "State"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreements, hereinafter defined.

W I T N E S S E T H:

WHEREAS, pursuant to the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, and other applicable provisions of law, and Resolution No. ____ duly adopted by the Board of County Commissioners (the "Board") of the Issuer on June 1, 2021 (the "Resolution"), the Issuer authorized the execution and delivery of a note designated "St. Johns County, Florida Taxable Special Obligation Refunding Revenue Note, Series 2021" (the "Series 2021 Note") pursuant to a Loan Agreement dated as of June __, 2021, between the Issuer and the Purchaser (the "Series 2021 Loan Agreement"), to evidence a term loan from the Purchaser to the Issuer (the "Loan"); and

WHEREAS, the proceeds of the Loan will be used to refund and defease that portion of the Issuer's outstanding St. Johns County, Florida Sales Tax Revenue Bonds, Series 2012A, St. Johns County, Florida Sales Tax Revenue Bonds, Series 2012B and St. Johns County, Florida Transportation Improvement Revenue Bonds, Series 2012A which mature on or after October 1, 2023 and to pay certain costs of issuing such Series 2021 Note; and

WHEREAS, pursuant to the Resolution, the Issuer has also authorized the execution and delivery of a Loan Agreement between the Issuer and the Purchaser (the "Series 2022 Loan Agreement" and, together with the Series 2021 Loan Agreement, the "Loan Agreements") and a note designated "St. Johns County, Florida Special Obligation Refunding Revenue Note, Series 2022" (the "Series 2022 Note" and/together with the Series 2021 Note, the "Notes") which Series 2022 Note may only be delivered in exchange for and in order to refinance the Series 2021 Note to the extent and in the manner set forth herein and in the Series 2022 Loan Agreement; and

WHEREAS, the Notes are payable from a covenant of the Issuer to budget and appropriate each Fiscal Year sufficient Non-Ad Valorem Revenues to pay the scheduled debt service on the Notes in the manner and to the extent provided in the Loan Agreements; and

WHEREAS, pursuant to the Resolution, the Issuer is authorized to enter into this Bond Exchange Agreement providing the option of the Issuer to require the Purchaser to

tender the Series 2021 Note to the Issuer on [July ___, 2022, or such other subsequent date as set forth in a notice delivered in writing to the Purchaser not less than 14 days prior to the mandatory tender date (the "Exchange Date")] in exchange for the execution by the Issuer and delivery to the Purchaser of the Series 2022 Note on the Exchange Date and upon such additional conditions as set forth herein; and

WHEREAS, upon the tender of the Series 2021 Note to the Issuer on the Exchange Date and the issuance of the Series 2022 Note in exchange therefor, all as provided herein, the Series 2021 Note shall be redeemed and thereby extinguished without any further action by the Issuer or the Purchaser;

NOW THEREFORE, in consideration of the premises and the mutual agreements contained herein, and other valuable consideration the sufficiency and receipt of which is hereby acknowledged, the Issuer and the Purchaser agree as follows:

1. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COUNTY.

The Issuer represents, warrants and covenants that:

(a) The Issuer is a political subdivision of the State, duly organized and validly existing under the laws of the State. Pursuant to the Resolution, the Issuer has duly authorized the execution and delivery of this Bond Exchange Agreement, the Loan Agreements, the Escrow Deposit Agreement between the Issuer and U.S. Bank National Association, as escrow agent, and the Escrow Deposit Agreement between the Issuer and Regions Bank, as escrow agent (collectively, the "Escrow Agreements") and the Notes (collectively, and together with the Resolution, the "Transaction Documents") and the performance by the Issuer of all of its obligations thereunder.

(b) The Issuer has complied with all of the provisions of the Constitution and laws of the State with respect to the authorization, execution and delivery of the Transaction Documents, and has full power and authority to enter into and consummate all transactions contemplated by Transaction Documents, and to perform all of its obligations hereunder and thereunder, and to the best knowledge of the Issuer, the transactions contemplated hereby do not conflict with the terms of any statute, order, rule, regulation, judgment, decree, agreement, instrument or commitment to which the Issuer is a party or by which the Issuer is bound.

(c) The Issuer is duly authorized and entitled to execute and deliver the Series 2021 Note and upon the Exchange Date if the Series 2021 Note is tendered, will be duly authorized and entitled to execute and deliver the Series 2022 Note. This Bond Exchange Agreement and the Series 2021 Note are, and the Series 2022 Note if issued and exchanged for the Series 2021 Note as provided herein will, constitute, legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject as

to enforceability to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(d) There are no actions, suits or proceedings pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer, at law or in equity, or before or by any governmental authority, that, if adversely determined, would materially impair the ability of the Issuer to perform the Issuer's obligations under the Transaction Documents.

(e) No authorization, consent, approval, license, exemption of or registration or filing with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, has been or will be necessary for the valid execution, delivery and performance by the Issuer of the Transaction Documents and the related documents, except such as have been obtained, given or accomplished.

(f) The audited financial statements of the Issuer for the fiscal year ended September 30, 2020, presented fairly the results of the Issuer's financial position and results of operations as of such date and for the fiscal year then ended. Since September 30, 2020, there has been no material adverse change in the financial condition of the Issuer, except as disclosed to the Purchaser.

(g) There is no Event of Default occurring under the Resolution or the Series 2021 Loan Agreement or a default that with the passage of time or the giving of notice, would be an Event of Default under the Resolution or the Series 2021 Loan Agreement.

2. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PURCHASER. The Purchaser represents that it is a United States of America national banking corporation and that the Series 2021 Loan Agreement and this Bond Exchange Agreement are each a valid and binding obligation of the Purchaser, enforceable in accordance with their respective terms, subject as to enforceability to receivership, insolvency and other similar laws affecting banks, or by the exercise of judicial discretion in accordance with general principles of equity.

3. AUTHORITY FOR NOTES. The Notes are authorized to be executed and delivered pursuant to the Resolution and shall be secured pursuant to the provisions of the respective Loan Agreements.

4. TERMS OF SERIES 2022 NOTE. If issued and delivered, the Series 2022 Note shall have the terms and provisions set forth in the Series 2022 Loan Agreement, the form of which is attached hereto as Exhibit D, and the form of the Series 2022 Note attached as Exhibit A to the Series 2022 Loan Agreement. The interest rate for the Series 2022 Note shall be 1.44% per annum, subject to adjustment as provided in the Series 2022 Loan Agreement. The Series 2022 Note shall be issued in the principal amount of the

Series 2021 Note as of the Exchange Date and shall have the same maturity schedule as the Series 2021 Note as of the Exchange Date.

5. OPTION TO REQUIRE TENDER OF SERIES 2021 NOTE AND EXCHANGE FOR SERIES 2022 NOTE. Upon the terms and conditions set forth herein, including but not limited to Section 7 hereof, (a) at the option of and direction of the Issuer, the Series 2021 Note shall be subject to mandatory tender and presentment by the Purchaser to the Issuer on the Exchange Date, and (b) in the event the Issuer exercises such option, on the Exchange Date (i) the Purchaser agrees to tender and present the Series 2021 Note to the Issuer and to accept from the Issuer the duly executed and authenticated Series 2022 Note in the form attached as Exhibit A to the Series 2022 Loan Agreement, in a principal amount equal to the outstanding and unpaid principal amount of the Series 2021 Note on the Exchange Date, together with payment by the Issuer to the Purchaser of the accrued and unpaid interest on the Series 2021 Note to the Exchange Date, if any, and (ii) upon such tender, payment and exchange, the Series 2021 Note shall be deemed to be discharged and cancelled without any further action by the Issuer or the Purchaser. Upon the tender of the Series 2021 Note the Purchaser and the County agree to execute and deliver the Series 2022 Loan Agreement. To exercise such option, the Issuer shall provide written notice of the exercise of such option to the Purchaser not less than 14 days prior to the Exchange Date, such notice identifying the Exchange Date. In the event that all conditions precedent set forth herein to the exchange of the Series 2022 Note for the Series 2021 Note have not been satisfied by the Issuer by the Exchange Date, the exchange shall not occur and the Series 2021 Note shall be immediately returned to the Purchaser and will remain outstanding. In the event that all conditions precedent set forth herein to the exchange have been satisfied by the Issuer by the Exchange Date, but the Series 2021 Note is not delivered by the Purchaser to the Issuer on the Exchange Date, the delivery of the Series 2022 Note by the Purchaser to the Issuer shall nonetheless be deemed to have occurred on the Exchange Date and the Series 2021 Note shall be deemed to be discharged and cancelled.

6. CLOSING OF EXECUTION, DELIVERY AND EXCHANGE OF SERIES 2022 NOTE. If the Issuer shall have exercised its option to require the mandatory tender of the Series 2021 Note by the Purchaser to the Issuer on the Exchange Date, as set forth in Section 5 hereof, the Purchaser shall, subject to the terms and conditions hereof, tender the Series 2021 Note to the Issuer at the address provided herein, in exchange for the Series 2022 Note and payment by the Issuer to the Purchaser of the accrued and unpaid interest on the Series 2021 Note as of the Exchange Date, if any, and the Issuer shall, subject to the terms and conditions hereof, deliver the Series 2022 Note in a principal amount equal to the outstanding and unpaid principal amount of the Series 2021 Note on the Exchange Date, to or upon the order of the Purchaser, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Purchaser shall accept such delivery and payment in exchange for the Series 2021 Note (such delivery and exchange herein called the "Series 2022 Note Exchange"). The Series

2022 Note Exchange shall occur at the Issuer's offices in St. Augustine, Florida, or such other place as shall have been mutually agreed upon by the Issuer and the Purchaser.

7. CLOSING CONDITIONS FOR SERIES 2022 NOTE EXCHANGE.

The Purchaser's obligation under this Bond Exchange Agreement to undertake the Series 2022 Note Exchange shall be conditioned upon the performance of the covenants and agreements to be performed hereunder and under such other documents required hereby to be delivered at or prior to the Exchange Date, and shall also be subject to the following additional conditions:

(a) At the Exchange Date, there shall be no Event of Default under the Resolution or the Series 2021 Loan Agreement, and the Resolution and the Series 2021 Loan Agreement shall be in full force and effect and shall not have been amended or modified, except as agreed to in writing by the Purchaser.

(b) At the Exchange Date, there will be no pending or, to the knowledge of the Issuer, threatened, litigation or lawful proceeding of any nature seeking to restrain or enjoin the execution, sale or delivery of the Series 2022 Note, or in any way contesting or affecting the validity or enforceability of the Transaction Documents, or contesting in any way the proceedings of the Issuer taken with respect thereto, or the power of the Issuer with respect thereto, or contesting the due existence of the Issuer, and the Purchaser will receive the certificate of the Issuer to the foregoing effect.

(c) At the Exchange Date, the Purchaser (or the holder of the Series 2022 Note as designated herein) shall receive all of the applicable documents required to be delivered by Section 4.01 of the Series 2022 Loan Agreement and, in addition, the following documents, each dated the Exchange Date:

(i) The opinion of Bond Counsel, dated the Exchange Date, in substantially the form attached hereto as Exhibit B;

(ii) An opinion of opinion of the County Attorney, dated the Exchange Date and addressed to the Purchaser and Bond Counsel, in substantially the form attached hereto as Exhibit C;

(iii) A certificate dated the Exchange Date, signed by the Chairman of the Board of County Commissioners of the Issuer, or other appropriate officials satisfactory to the Purchaser, to the effect that (A) the representations of the Issuer in subsections 1(a), (b), (c) and (e) and subsections 7(a) and (b) hereof are true and correct in all material respects as of the Exchange Date, (B) no Event of Default exists under the Resolution or the Series 2021 Loan Agreement or that with the giving of notice of the passage of time would be an Event of Default under the Resolution or either of the Loan Agreements, and (C) the Issuer has performed all obligations to be performed and has satisfied all conditions on its part to be observed

or satisfied under this Bond Exchange Agreement, the Resolution and the Loan Agreements, as of the Exchange Date;

(iv) A copy of the Resolution, certified by the Clerk of the Issuer as being complete and in full force and effect and as not having been amended after its date except as may be permitted in compliance with the terms thereof;

(v) Payment to the Purchaser of the accrued and unpaid interest on the Series 2021 Note as of the Exchange Date, if any;

(vi) The fully executed Series 2022 Loan Agreement, the form of which is attached as Exhibit D; and

(vii) The original fully executed Series 2022 Note registered in the name of such holder as directed by the Purchaser.

All of the evidence, opinions, letters, certificates, instruments and other documents, mentioned above or elsewhere in this Bond Exchange Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are fully completed and executed by all required parties in the form specified herein or are otherwise in form and substance satisfactory to the Purchaser and its counsel.

If the conditions to the obligations of the Purchaser to exchange the Series 2021 Note for the Series 2022 Note are not satisfied this Bond Exchange Agreement will continue in full force and effect.

(d) On the Exchange Date, the Purchaser (or the holder of the Series 2022 Note) shall deliver the Lender's Investment Certificate set forth in Exhibit A.

8. EXPENSES. The Purchaser shall be under no obligation to pay, and the Issuer shall pay, such expenses incident to the incurrence of the Loan, the execution and delivery of the Notes, the Loan Agreements and the Escrow Agreements, and the performance of the Issuer's obligations hereunder, including, but not limited to the following expenses: (i) the cost of preparing the Transaction Documents; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of the independent registered municipal advisor to the Issuer; and (iv) the fees and disbursements of any experts, accountants, consultants or advisors retained by the Issuer. If the exchange of the Series 2021 Note for the Series 2022 Note occurs on the Exchange Date in the manner provided herein and closing documents in the forms attached as exhibits hereto, the Issuer shall pay the fees of counsel to the Purchaser in the amount of \$5,000 on the Exchange Date. In addition to the fees of counsel to the Purchaser on the Exchange Date, it is expected that fees in the amount \$10,000 shall be payable to the Financial Advisor and fees in the amount of \$10,000 shall be payable to Bond Counsel on the Series 2022 Note Exchange Date.

9. **AMENDMENT OF THIS BOND EXCHANGE AGREEMENT.** This Bond Exchange Agreement may only be amended in writing executed by the Issuer and the Purchaser.

10. **NOTICES.** Any notice, demand, direction, request or other instrument authorized or required by this Bond Exchange Agreement to be given to the Issuer or the Purchaser shall be sent by United States certified mail, first-class postage prepaid, return receipt requested, or by overnight common courier, addressed as follows (unless changed as hereinafter provided):

If to the Issuer: St. Johns County, Florida
500 San Sebastian View
St. Augustine, Florida 32084
Attention: County Administrator
w/ a copy to the Clerk

If to the Purchaser: TD Bank, N.A.
301 East Pine Street, Suite 1000
Orlando, Florida 32801
Attn: Sterling Harrell, Director

Upon written notice to the respective parties mentioned above given in the manner provided above, any of the above or subsequent addresses may be changed.

11. **WAIVER OF JURY TRIAL.** Each party hereto hereby knowingly, voluntarily, intentionally and irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Bond Exchange Agreement or any other document executed in connection herewith or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory).

12. **APPLICABLE LAW; VENUE; ATTORNEY'S FEES.** The substantive laws of the State of Florida shall govern this Bond Exchange Agreement, the Notes, the Loan Agreements or any agreement contemplated to be executed in connection with this Bond Exchange Agreement. The parties hereto submit to the jurisdiction of Florida courts and federal courts and agree that venue for any suit concerning this Bond Exchange Agreement, the Notes, the Loan Agreements or any agreement contemplated to be executed in connection with this Bond Exchange Agreement shall be in St. Johns County, Florida and the Middle District of Florida and applicable appellate courts.

13. **SEVERABILITY.** If any clause, provision or section of this Bond Exchange Agreement shall be held illegal or invalid by any court, the invalidity of such provisions or sections shall not affect any other provisions or sections hereof, and this Bond Exchange Agreement shall be construed and enforced to the end that the transactions

contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

14. NON-ASSIGNABILITY. This Bond Exchange Agreement may not be assigned by the Issuer.

15. PATRIOT ACT. The Purchaser is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56) (signed into law October 26, 2001)) (the "Patriot Act") and hereby notifies the Issuer that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Purchaser to identify the Issuer in accordance with the Patriot Act.

16. COUNTERPARTS. This Bond Exchange Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO BOND PURCHASE AND EXCHANGE AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Bond Exchange Agreement to be effective between them as of the date of first set forth above.

TD BANK, N.A.

Sterling Harrell, Director

ST. JOHNS COUNTY, FLORIDA

Chairman, Board of County Commissioners

(SEAL)

ATTEST:

Clerk of the Circuit
Court and Ex-Officio Clerk of the Board of
County Commissioners

LIST OF EXHIBITS

- Exhibit A Lender's Investment Certificate relating to Series 2022 Note
- Exhibit B Form of Opinion of Bond Counsel relating to Series 2022 Note
- Exhibit C Form of Opinion of County Attorney relating to Series 2022 Note
- Exhibit D Form of Series 2022 Loan Agreement

EXHIBIT A

**LENDER'S INVESTMENT CERTIFICATE
RELATING TO SERIES 2022 NOTE**

EXHIBIT B

**FORM OF OPINION OF BOND COUNSEL
RELATING TO SERIES 2022 NOTE**

EXHIBIT C

**FORM OF OPINION OF COUNTY ATTORNEY
RELATING TO SERIES 2022 NOTE**

EXHIBIT D

FORM OF SERIES 2022 LOAN AGREEMENT

EXHIBIT D

Form of Escrow Deposit Agreement

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated as of June __, 2021 (this "Agreement"), by and between **ST. JOHNS COUNTY**, a political subdivision of the State of Florida (the "County"), and [**U.S. BANK NATIONAL ASSOCIATION**] [**REGIONS BANK**] (the "Escrow Agent"), a [national] [state] banking association organized and existing under the laws of the [United States of America] [state of Alabama], having its designated corporate trust office in [Jacksonville] [Orlando], Florida, as escrow agent hereunder.

WHEREAS, the County has heretofore issued its [St. Johns County, Florida, Sales Tax Revenue Refunding Bonds, Series 2012A and St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2012B] [St. Johns County, Florida, Transportation Improvement Revenue Refunding Bonds, Series 2012A] (the "Series 2012 Bonds") pursuant to [Resolution No. 86-132 adopted by the County on September 30, 1986, as amended and supplemented] [Resolution No. 92-103 adopted by the County on June 23, 1992, as amended and supplemented] (the "Resolution"); and

WHEREAS, the County has determined to exercise its option under the Resolution to refund that portion of the Series 2012 Bonds maturing on or after October 1, 2023, as identified on Schedule A attached hereto (the "Refunded Bonds"); and

WHEREAS, the County has determined to issue its \$_____ aggregate principal amount of St. Johns County, Florida Taxable Special Obligation Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds") pursuant to Resolution No. ___ adopted on June 1, 2021, a portion of the proceeds of which Series 2021 Bonds will be used to purchase certain United States Treasury obligations in order to provide payment for the Refunded Bonds and to discharge and satisfy the pledges, liens and other obligations of the County under the Resolution in regard to the Refunded Bonds; and

WHEREAS, the issuance of the Series 2021 Bonds, the purchase by the Escrow Agent of the hereinafter defined Escrow Securities, the deposit of cash and such Escrow Securities into an escrow deposit trust fund to be held by the Escrow Agent and the discharge and satisfaction of the pledges, liens and other obligations of the County under the Resolution in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

WHEREAS, this Agreement is intended to effectuate such simultaneous transaction;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. PREAMBLES. The recitals stated above are true and correct and incorporated herein.

SECTION 2. RECEIPT OF RESOLUTIONS AND VERIFICATION REPORT. Receipt of a true and correct copy of the above-mentioned Resolution and this Agreement is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Resolution, including but not limited to [Section 2.04] [Article III] and [Section 4.03] [Section 8.01] of the Resolution, are incorporated herein by reference. The Escrow Agent also acknowledges receipt of the verification report of _____ dated June __, 2021 (the "Verification Report"). Reference herein to or citation herein of any provisions of the Resolutions or the Verification Report shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

SECTION 3. DISCHARGE OF PLEDGE OF HOLDERS OF REFUNDED BONDS. The County by this writing exercises its option to cause [the pledge of and lien on the Pledged Funds in favor of the owners of the Refunded Bonds to no longer be in effect] [the pledge of the Pledged Funds (as defined in the Resolution) and any additional security pledged under the Resolution, and all covenants, agreements and other obligations of the County under the Resolution to the holders of the Refunded Bonds, to cease, terminate and become void and be discharged and satisfied.]

SECTION 4. ESTABLISHMENT OF ESCROW FUND. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "[St. Johns County, Florida, Sales Tax Revenue Refunding Bonds, Series 2012A/Series 2012B] [St. Johns County, Florida, Transportation Improvement Revenue Refunding Bonds, Series 2012A] Escrow Deposit Trust Fund" (the "Escrow Fund"). The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of and deposit to the credit of the Escrow Fund the sum of \$_____ received from the County from proceeds of the Series 2021 Bonds ("Bond Proceeds") and the sum of \$_____ received from the County from certain moneys on deposit in the debt service accounts established for the benefit of the Refunded Bonds (the "County Moneys").

SECTION 5. DEPOSIT OF MONEYS AND SECURITIES IN ESCROW FUND. The County hereby directs and the Escrow Agent represents and acknowledges that, concurrently with the deposit of the Bond Proceeds and the County Moneys into the Escrow Fund under Section 4 above, it has used \$_____ of the Bond Proceeds and \$_____ of the County Moneys to purchase on behalf of and for the account of the County certain [United States Treasury obligations -- State and Local Series] (collectively, together with any other securities which may be on deposit, from time to time, in the Escrow Fund, the "Escrow Securities"), which are described in Schedule B hereto, and the Escrow Agent will deposit such Escrow Securities and \$_____ in cash (the "Cash Deposit") in the Escrow Fund. All Escrow Securities shall be noncallable, direct obligations of the United States of America.

In the event any of the Escrow Securities described in Schedule B hereto are not available for delivery on June __, 2021, the Escrow Agent may, at the written direction of the County and with the approval of Bond Counsel (as defined in the Resolution), substitute other United States Treasury obligations and shall credit such other obligations to the appropriate Account of the Escrow Fund and hold such obligations until the aforementioned Escrow Securities have been delivered. Bond Counsel shall, as a condition precedent to giving its approval, require the County to provide it with a revised Verification Report addressed to the County and the Escrow Agent in regard to the adequacy of the Escrow Securities, taking into account the substituted obligations to pay the Refunded Bonds in accordance with the terms hereof. The Escrow Agent shall in no manner be responsible or liable for failure or delay of Bond Counsel or the County to promptly approve the substitutions of other United States Treasury obligations for the Escrow Fund.

SECTION 6. SUFFICIENCY OF ESCROW SECURITIES AND THE CASH DEPOSIT. In reliance upon the Verification Report, the County represents that the Cash Deposit and the interest on and the principal amounts successively maturing on the Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest) are sufficient such that moneys will be available to the Escrow Agent in amounts sufficient and at the times required to pay the amounts of principal of, premium, if any, and interest due and to become due on the Refunded Bonds as described in Schedule C attached hereto. If the Escrow Securities and the Cash Deposit shall be insufficient to make such payments, the County shall timely deposit to the Escrow Fund, solely from legally available funds of the County, such additional amounts as may be required to pay the Refunded Bonds as described in Schedule C hereto. Notice of any insufficiency shall be given by the Escrow Agent to the County as promptly as possible, but the Escrow Agent shall in no manner be responsible for the County's failure to make such deposits.

SECTION 7. ESCROW SECURITIES AND THE CASH DEPOSIT IN TRUST FOR HOLDERS OF REFUNDED BONDS. The deposit of the Escrow Securities and the Cash Deposit in the Escrow Fund shall constitute an irrevocable deposit of [Federal Securities] [Securities] (as defined in the Resolution) and cash in trust solely for the payment of the principal of, premium, if any, and interest on the Refunded Bonds at such times and in such amounts as set forth in Schedule C hereto, and the principal of and interest earnings on such Escrow Securities and the Cash Deposit shall be used solely for such purpose.

SECTION 8. ESCROW AGENT TO PAY REFUNDED BONDS FROM ESCROW FUND. The County hereby directs, and the Escrow Agent hereby agrees, that it will take all actions required to be taken by it under the provisions of the Resolution referenced in this Agreement, including the timely transfer of money to the Paying Agent for the Refunded Bonds ([US Bank, National Association] [Regions]) as provided in the Resolution, in order to effectuate this Agreement and to pay the Refunded Bonds in the

amounts and at the times provided in Schedule C hereto. The Escrow Securities and the Cash Deposit shall be used to pay debt service on the Refunded Bonds as they mature or are redeemed prior to maturity. The Refunded Bonds shall be redeemed prior to their respective maturities on October 1, 2022, at a redemption price equal to 100% of the principal amount of each Refunded Bond, plus interest accrued to such redemption date. If any payment date shall be a day on which either the Paying Agent for the Refunded Bonds or the Escrow Agent is not open for the acceptance or delivery of funds, then the Escrow Agent may make payment on the next business day. The liability of the Escrow Agent for the payment of the principal of and interest on the Refunded Bonds pursuant to this Agreement shall be limited to the application of the Escrow Securities and the Cash Deposit and the interest earnings thereon available for such purposes in the Escrow Fund.

SECTION 9. REINVESTMENT OF MONEYS AND SECURITIES IN ESCROW FUND. Moneys deposited in the Escrow Fund shall be invested, other than the Cash Deposit, only in the Escrow Securities listed in Schedule B hereto and, except as provided in Section 5 hereof and this Section 9, neither the County nor the Escrow Agent shall otherwise invest or reinvest any moneys in the Escrow Fund.

Except as provided in Section 5 hereof and in this Section 9, the Escrow Agent may not sell or otherwise dispose of any or all of the Escrow Securities or the Cash Deposit in the Escrow Fund and reinvest the proceeds thereof in other securities nor may it substitute securities for any of the Escrow Securities, except upon written direction of the County and where, prior to any such reinvestment or substitution, the Escrow Agent has received from the County the following:

- (a) a written verification report by a firm of independent certified public accountants, of recognized standing, appointed by the County, addressed to the County and the Escrow Agent, to the effect that after such reinvestment or substitution the principal amount of Escrow Securities, together with the interest therein and any uninvested cash, will be sufficient to pay the applicable Refunded Bonds as described in Schedule C hereto; and
- (b) a written opinion of nationally recognized Bond Counsel to the effect that (i) such investment will not cause the Refunded Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, as amended, and the regulations promulgated thereunder or otherwise cause the interest on such Refunded Bonds to be included as gross income for purposes of federal income taxation, and (ii) such investment does not violate any provision of Florida law or of the applicable Resolution.

The above-described verification report need not be provided in the event the County purchases Escrow Securities with the proceeds of maturing Escrow Securities and such purchased Escrow Securities mature on or before the next interest payment date for the

applicable Refunded Bonds and have a face amount which is at least equal to the cash amount invested in such Escrow Securities.

In the event the above-referenced verification concludes that there are surplus moneys in the Escrow Fund, such surplus moneys shall be released to the County upon its written direction. The Escrow Fund shall continue in effect until the date upon which the Escrow Agent makes the final payment to the Paying Agent for the Refunded Bonds in an amount sufficient to pay the Refunded Bonds as described in Schedule C hereto, whereupon the Escrow Agent shall sell or redeem any Escrow Securities remaining in the Escrow Fund, and shall remit to the County the proceeds thereof, together with all other money, if any, then remaining in the Escrow Fund.

SECTION 10. REDEMPTION OF REFUNDED BONDS. The County shall instruct the Registrar for the Refunded Bonds ([US Bank, National Association] [Regions]) to give, on behalf of the County, at the appropriate times the notice or notices, if any, required by the Resolution in connection with the redemption of the Refunded Bonds. The Refunded Bonds shall be redeemed on October 1, 2022, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest. The Escrow Agent will file the notice of redemption with the Electronic Municipal Market Access within 10 days of providing it to the holders of the Refunded Bonds.

SECTION 11. DEFEASANCE NOTICE TO HOLDERS OF REFUNDED BONDS. Concurrently with the deposit of the Escrow Securities set forth in Section 5 hereof, the Refunded Bonds shall be deemed to have been paid within the meaning and with the effect expressed in Section ____ of the Resolution. The County shall cause the Paying Agent for the Refunded Bonds ([US Bank, National Association] [Regions]) to (a) mail to the Holders of the Refunded Bonds (Cede & Co. as nominee of The Depository Trust Company) the appropriate notice in substantially the form provided in Schedule D attached hereto within 60 days of the deposit of moneys into the Escrow Fund, and (b) file such defeasance notice with the Electronic Municipal Market Access within 10 days of providing it to the holders of the Refunded Bonds.

SECTION 12. ESCROW FUND IRREVOCABLE. The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on that portion of the Escrow Securities and Cash Deposit which is deposited in their respective Account within the Escrow Fund pursuant to the terms hereof and the interest earnings thereon until paid out, used and applied in accordance with this Agreement and the applicable Resolution. Neither the County nor the Escrow Agent shall cause nor permit any other lien or interest whatsoever to be imposed upon the Escrow Fund.

SECTION 13. AMENDMENTS TO AGREEMENT. This Agreement is made for the benefit of the County and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent; provided, however, that the

County and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of Bond Counsel with respect to compliance with this Section 13, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 13.

SECTION 14. FEES AND EXPENSES OF ESCROW AGENT; INDEMNIFICATION. In consideration of the services rendered by the Escrow Agent under this Agreement, the County agrees to and shall pay to the Escrow Agent the fees and expenses as shall be agreed to in writing by the parties hereto. The Escrow Agent shall have no lien whatsoever upon any of the Escrow Securities in the Escrow Fund for the payment of such proper fees and expenses. To the extent allowed by applicable law, the County further agrees to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to the Escrow Agent's own negligence or misconduct. Indemnification provided under this Section 14 shall survive the termination of this Agreement.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the County. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the County or independent counsel, with regard to legal questions, and the

opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the County of its intention.

The Escrow Agent and its successors, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, by reason of the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance and disposition of the various moneys and funds described herein, the purchase, retention or payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement or any nonnegligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be liable to the County and to holders of the Refunded Bonds to the extent of their respective damages for negligent or willful acts, omissions or errors of the Escrow Agent which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement.

SECTION 15. REPORTING REQUIREMENTS OF ESCROW AGENT.

As soon as practicable after October 1, 2021, and each April 1 and October 1 thereafter, so long as the Escrow Fund is maintained under this Agreement, the Escrow Agent shall forward in writing to the County a statement in detail of the Escrow Securities held as of October 1, 2021, and each April 1 and October 1 thereafter, and the income and maturities thereof, and withdrawals of money from the Escrow Fund, since the last statement furnished pursuant to this Section 15.

SECTION 16. RESIGNATION OR REMOVAL OF ESCROW AGENT.

The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than 60 days' written notice to the County and mailing notice thereof, specifying the date when such resignation will take effect to the holders of all Refunded Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding or by the County as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be replaced at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and signed by either the County or the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding. Such instrument shall provide for the appointment of a successor Escrow Agent, which appointment shall occur simultaneously with the removal of the Escrow Agent.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the County shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the County shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders. The County shall mail notice of any such appointment made by it at the times and in the manner described in the first paragraph of this Section 16.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the County pursuant to the foregoing provisions of this Section 16 within 60 days after written notice of resignation of the Escrow Agent has been given to the County, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

In the event of replacement or resignation of the Escrow Agent, the Escrow Agent shall have no further liability hereunder and the County shall indemnify and hold harmless the Escrow Agent, to the extent allowed by law, from any such liability, including reasonable costs or expenses incurred by the Escrow Agent or its counsel.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any State, and shall have at the time of appointment capital and surplus of not less than \$30,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the County an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the County execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument

in writing from the County be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the County.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 17. TERMINATION OF AGREEMENT. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the County.

SECTION 18. GOVERNING LAW. This Agreement shall be governed by the applicable laws of the State of Florida. Any action or proceeding, in law or equity, arising out of or in any way related to this Agreement or the obligations hereunder shall be in St. Johns County, Florida, or if in federal court, in Duval County, Florida.

SECTION 19. SEVERABILITY. If any one or more of the covenants or agreements provided in this Agreement on the part of the County or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 20. COUNTERPARTS. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 21. NOTICES. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

Attn: _____

St. Johns County, Florida
500 San Sebastian Way
St. Augustine, Florida 32084
Attention: County Administrator

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and officials as of the date first written herein.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

Chairman of the Board of County
Commissioners

ATTEST:

Clerk of the Circuit Court and Ex-Officio
Clerk of the of the Board of
County Commissioners

as Escrow Agent

By: _____
Title: _____

SCHEDULE A

DESCRIPTION OF THE REFUNDED BONDS

SCHEDULE B

ESCROW SECURITIES

SCHEDULE C

DISBURSEMENT REQUIREMENTS FOR REFUNDED BONDS

SCHEDULE D

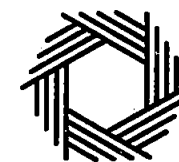
FORM OF NOTICE OF DEFEASANCE

Notice is hereby given pursuant to Resolution No. [86-132] [92-103] adopted by St. Johns County, Florida (the "County") on [September 30, 1986] [June 23, 1992], as amended and supplemented (the "Resolution"), that the [St. Johns County, Florida, Sales Tax Revenue Refunding Bonds, Series 2012A and St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2012B] [St. Johns County, Florida, Transportation Improvement Revenue Refunding Bonds, Series 2012A] identified below (the "Refunded Bonds") are deemed to be paid within the meaning of Section [4.03] [8.01] of the Resolution and shall no longer be secured from the Pledged Funds (as defined in the Resolution) and the other liens created by the Resolution for the benefit of the holders of the Refunded Bonds and shall be secured solely from the irrevocable deposit of U.S. Treasury obligations and cash made by the County with U.S. Bank National Association, as Escrow Agent, in accordance with Section [4.03] [8.01] of the Resolution.

Further, the Refunded Bonds shall be redeemed, prior to their respective maturities, on October 1, 2022 (the "Redemption Date") at a redemption price equal to 100% of the principal amount of each such Refunded Bond to be redeemed, together with interest accrued thereon to the Redemption Date.

The Refunded Bonds to be defeased are:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>CUSIP</u>
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pfm

Sales Tax and Transportation Revenue Bonds

Refunding Overview

June 1, 2021

**PFM Financial
Advisors, LLC**

**300 S. Orange Ave
Suite 1170
Orlando, FL 32801**

**407.648.2208
pfm.com**



Refunding Opportunity – Overview

- Given historically low level of interest rates, the County has the opportunity to refund outstanding debt for savings
- Given current tax law restrictions, the refunding is being structured as a taxable advance refunding with the option to exchange for a tax-exempt bond
- In order to take advantage of this opportunity, PFM has worked with County finance and legal staff to undertake an RFP process and prepare the required documentation for the Board of County Commissioners consideration
- If approved the County will lock in significant net present value debt service savings (up to \$7 million)
- The rest of this presentation provides more details on the proposed refunding



Sales Tax Revenue Refunding Bonds, Series 2012A&B – Summary

- The County issued its Sales Tax Revenue Refunding Bonds, Series 2012A and 2012B (the “2012 Sales Tax Bonds”) on November 14, 2012 to refund the County’s outstanding Sales Tax Revenue Bonds, Series 2004A and 2004B
 - Original Par Amount: \$41,030,000
 - Maturity Dates: October 1, 2013 through October 1, 2034
 - Interest Rates: 2.50% - 5.00%
 - Current Par Amount Outstanding: \$37,455,000
 - Bonds maturing on and after October 1, 2023 are callable at par on or after October 1, 2022

- Given the current historically low level of interest rates, the 2012 Sales Tax Bonds are a good candidate to be refunded for debt service savings



Transportation Improvement Revenue Refunding Bonds, Series 2012 – Summary

- The County issued its Transportation Improvement Revenue Refunding Bonds, Series 2012 (the “2012 Transportation Bonds”) on May 7, 2012 to refund the County’s outstanding Transportation Improvement Revenue Bonds, Series 2003
 - Original Par Amount: \$25,050,000
 - Maturity Dates: October 1, 2013 through October 1, 2032
 - Interest Rates: 3.00% - 5.00%
 - Current Par Amount Outstanding: \$18,570,000
 - Bonds maturing on and after October 1, 2023 are callable at par on or after October 1, 2022
- Given the current historically low level of interest rates, the 2012 Transportation Bonds are a good candidate to be refunded for debt service savings



Types of Refundings

- If the proceeds of the refunding issue are fully expended within 90 days of issuance, the refunding issue is considered a **Current Refunding**
- All other refundings are **Advance Refundings**
 - Escrow defeasing the prior bonds is greater than 90 days. Refunding delivery date is greater than 90 days from the call date on the prior issue
 - Tax-exempt advance refundings are no longer allowed (post tax reform), forcing issuers to evaluate different alternatives to achieve economic savings on existing debt, such as issuing taxable refunding bonds
- Given the respective call dates of the 2012 Sales Tax Bonds and 2012 Transportation Bonds being more than 90 days from the proposed closing date of the refunding bonds, in order to move forward with the refunding now, the County must issue the refunding bonds with a taxable interest rate
- As part of the proposed refunding, the County will also enter into a Bond Purchase and Exchange Agreement that gives the County the option to exchange the taxable bond for a tax-exempt bond 90 days prior to the refunded bonds call date (July 6, 2022)



Proposed Taxable Special Obligation Refunding Revenue Note, Series 2021 – Summary

- Based on the desire to move in an expedited manner to take advantage of historically low interest rates and recent aggressive bids received from banks for comparable transactions, PFM recommended that the County pursue privately placed direct bank loans to implement the refunding
- PFM also recommended the transaction be secured by a covenant to budget and appropriate legally available non ad valorem revenues in order to attract the most bidders and achieve the lowest interest rate
- At the County's direction, PFM distributed a request for indications of interest to local, regional, and national financial institutions
- The County received seven (7) proposals from the following institutions: Barclays, Bank of America, JP Morgan, Key Government Finance, Sterling National Bank, TD Bank, and Truist



Proposed Taxable Special Obligation Refunding Revenue Note, Series 2021 – Summary

- TD Bank offered a fixed taxable interest rates of 1.76% that would be held through June 9, 2021, thus eliminating the risk of rising interest rates through the closing date
- The County will also enter into an exchange agreement that will give the County an option to in effect convert the taxable interest rates to tax-exempt interest rates (1.44%) 90 days prior to the refunded bonds call date (July 6, 2022)
- Upon the issuance of the Taxable Special Obligation Refunding Revenue Note, Series 2021, the County will lock in approximately \$6 million of net present value debt service savings (over 12% of the refunded bonds par amount)
- Assuming the conversion to Tax Exempt Special Obligation Refunding Revenue Note, Series 2022, the net present value debt service savings will be increased to approximately \$7 million (over 14% of the refunded bonds par amount)



Proposed Taxable Special Obligation Refunding Revenue Note, Series 2021 – Summary

- The table below provides a comparison between the current debt service on the refunded bonds and the estimated debt service after the refunding (assuming conversion to tax-exempt)

<u>Date</u>	<u>Prior Debt Service</u>	<u>Refunding Debt Service</u>	<u>Savings</u>	<u>Present Value Savings</u>
10/1/2021	1,001,847	811,755	190,092	189,211
10/1/2022	2,003,694	1,382,472	621,222	613,185
10/1/2023	5,658,694	5,039,800	618,894	602,470
10/1/2024	5,650,619	5,027,880	622,739	596,889
10/1/2025	5,651,356	5,030,240	621,116	586,179
10/1/2026	5,652,269	5,031,664	620,605	576,806
10/1/2027	5,649,144	5,032,152	616,992	564,732
10/1/2028	5,649,569	5,026,704	622,865	561,359
10/1/2029	5,655,569	5,030,392	625,177	554,788
10/1/2030	5,649,606	5,028,072	621,534	543,071
10/1/2031	5,653,100	5,029,816	623,284	536,139
10/1/2032	5,650,475	5,030,552	619,923	524,819
10/1/2033	3,241,250	2,850,280	390,970	325,985
10/1/2034	3,239,250	2,845,392	393,858	323,190
	66,006,441	58,197,171	7,809,270	7,098,823

Annual Cash Flow Savings

Net Present Value Debt Service Savings



Requested Action

- PFM has worked with many issuers on similarly structured refundings including Marion County, City of Marco Island, City of St Petersburg, City of Marco Island, City of North Port, Seminole County School District and Lake County School District, to name a few
- The Board of County Commissioners is being asked to consider a bond resolution that authorizes the issuance of Taxable Special Obligation Refunding Revenue Note, Series 2021 as well as Bond Purchase and Exchange Agreement
- If approved, the transaction is set to close on June 9, 2021

<u>Cost of Issuance @ Closing</u>	<u>Amount</u>
Bond Counsel Fee	\$ 30,000
Financial Advisor Fee	\$ 44,000
Bank Counsel Fee	\$ 17,000
Escrow Structure Fee	\$ 2,500
Escrow Agent Fee (Sales Tax)	\$ 650
Escrow Agent Fee (Transportation)	\$ 2,000
Verification Agent Fee	\$ 2,500
Miscellaneous	\$ 5,000
	<u>\$ 103,650</u>

<u>Cost of Issuance @ Exchange</u>	
Bond Counsel Fee	\$ 10,000
Financial Advisor Fee	\$ 10,000
Bank Counsel Fee	\$ 5,000
	<u>\$ 25,000</u>