

RESOLUTION NO. _____

PROPOSED RESOLUTION NO. 20-011

A RESOLUTION OF THE CITY OF LAKELAND, FLORIDA AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$82,000,000 CITY OF LAKELAND, FLORIDA TAXABLE PENSION LIABILITY REDUCTION NOTE, SERIES 2020, FOR THE PURPOSE OF FUNDING A PORTION OF THE UNFUNDED PENSION OBLIGATIONS OF THE CITY FOR THE CITY'S PENSION PLANS AND PAYING COSTS OF ISSUANCE NECESSARY AND INCIDENTAL THERETO; APPROVING THE FORM OF A TAXABLE PENSION LIABILITY REDUCTION NOTE, SERIES 2020, AND A LOAN AGREEMENT; PROVIDING OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKELAND, FLORIDA (the "City"), AS FOLLOWS:

SECTION 1. Authority. This Resolution (this "Resolution") is adopted pursuant to Chapter 166, Florida Statutes, the Charter of the City, and other applicable provisions of law (collectively, the "Act").

SECTION 2. Definitions. Words and phrases used herein in capitalized form and not otherwise defined herein (including, without limitation, in the preamble hereto) shall have the meanings ascribed thereto in the hereinafter defined Loan Agreement, as applicable and, in addition, the following words and phrases shall have the following meanings:

"Authorized Signatories" means any one or more of the Mayor, the Mayor Pro Tem of the City, the City Manager or the Finance Director of the City.

"Governing Body" means the City Commission of the City of Lakeland, Florida.

"Lender" means TD Bank, N.A.

"Loan Agreement" means the Loan Agreement between the City and the Lender.

"2020 Loan Amount" means not to exceed \$82,000,000.

"2020 Note" means the City's Taxable Pension Liability Reduction Note, Series 2020 in substantially the form attached as Exhibit "A" to the Loan Agreement.

SECTION 3. Authorization of Transactions. In order to obtain funds (i) to fund a portion of the unfunded pension obligations of the City for all or any of the City's

pension plans, and (ii) to pay the costs of issuance thereof, including, without limitation, a fee to the Lender, the City is authorized to obtain a loan (the "Loan"), and to borrow an amount up to the 2020 Loan Amount from the Lender.

Because of prevailing and anticipated market conditions and the nature of the Loan, and taking into account the advice of RBC Capital Markets, LLC, the City's financial advisor, it is not feasible, cost effective or advantageous to enter into the Loan through a competitive sale and it is in the best interest of the City to accept the terms of the Loan from the Lender in a principal amount of up to the 2020 Loan Amount, at a negotiated sale upon the terms and conditions outlined herein and in the Loan Agreement and as determined by the Authorized Signatories executing the Loan Agreement in accordance with the terms hereof.

Prior to its execution and delivery of the Loan Agreement, the City shall have received from the Lender a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and a Truth-in-Bonding Statement pursuant to Section 218.385(2) and (3), Florida Statutes, and no further disclosure is or shall be required by the City.

SECTION 4. Loan Agreement and Note. The City is authorized to execute a Loan Agreement with the Lender in substantially the form attached as Exhibit "A" hereto and to make and deliver to the Lender the 2020 Note in substantially the form attached as Exhibit "A" to the Loan Agreement.

The forms and terms of the Loan Agreement and 2020 Note (collectively, the "Loan Documents") attached hereto are hereby approved, and the Authorized Signatories are authorized on behalf of the City to execute and deliver the same, with such changes, insertions, omissions and filling of blanks as may be approved by the Authorized Signatories executing the same, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatories signing the same. The Authorized Signatories are hereby delegated the authority to execute the 2020 Note in an amount not exceeding the 2020 Loan Amount. The Clerk of the Commission or any Deputy Clerk of the Commission or any Acting Clerk of the Commission may authenticate or attest the signatures of the Authorized Signatories on the Loan Documents.

SECTION 5. Creation of Funds and Accounts. There is hereby created and established the "City of Lakeland, Florida Taxable Pension Liability Reduction Note, Series 2020 Debt Service Account" (the "Debt Service Account").

SECTION 6. Loan Agreement and Note Not to be General Obligations or Indebtedness of the City. The Loan Agreement and the 2020 Note and the obligations of the City thereunder shall not be deemed to constitute general obligations or a pledge of the faith and credit of the City, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of (i) the Non-Ad Valorem Revenues (as defined in the Loan Agreement) budgeted and appropriated and deposited into the Debt Service Account for the 2020 Note, to pay debt service payments and all other amounts due and payable on or under

the Loan Documents and (ii) all funds on deposit in the Debt Service Account (including any investment securities on deposit therein) and all investment earnings on any such funds (the "Pledged Funds"), in the manner and to the extent herein and in the Loan Agreement provided.

No holder or owner of the 2020 Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the City which generate user service charges, regulatory fees or other non-ad valorem revenues, nor shall any holder or owner of the 2020 Note be entitled to payment of such principal and interest from any other funds of the City other than the Pledged Funds with respect to the Loan, all in the manner and to the extent provided herein and in the Loan Agreement. The Loan Documents and the indebtedness evidenced thereby shall not constitute a lien upon any real or personal property of the City, or any part thereof, or any other tangible personal property of or in the City, but shall constitute a lien only on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement.

Funds deposited into the Debt Service Account, until applied to the payment of debt service on the 2020 Note, may be invested in investments authorized by law and meeting the City's written investment policy, which investments shall mature no later than the date on which moneys therein shall be needed to pay such debt service.

SECTION 7. Pledge. The payment of the principal of, premium, if any, and interest under the 2020 Note and other payments due under the Loan Agreement shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement. The City does hereby irrevocably pledge such Pledged Funds to the payment of the principal of, premium, if any, and interest on the 2020 Note and other payments due under the Loan Agreement.

SECTION 8. Application of Proceeds. The proceeds of each advance of the Loan shall be applied to, (i) fund the applicable pension fund as described in a certificate of an Authorized Officer upon the delivery of the 2020 Note, and (ii) pay the costs of issuance of the Loan.

SECTION 9. Separate Accounts; Trust Funds. The moneys required to be accounted for in the Debt Service Account may be deposited in a single bank or other account, and funds allocated to such accounts may be invested, together with other funds of the City, in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of moneys on deposit therein and such investments for the various purposes of such account. The designation and establishment of the Debt Service Account shall not be construed to require the establishment of any completely independent, self-balancing fund or account, but rather is intended solely to constitute an earmarking of certain moneys or revenues for certain purposes.

The Debt Service Account created hereunder and any accounts created therein constitute trust funds for the purposes herein and in any subsequent resolution provided. The City may at any time and from time to time deposit moneys from any one or more of the funds and accounts established hereby with a depository permitted under applicable law. Any such depository or depositories shall perform at the direction of the City the duties of the City in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the City and its agents and employees.

SECTION 10. Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of a Note issued hereunder.

SECTION 11. No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owner and holder of a Note issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and holders from time to time of a Note issued hereunder.

SECTION 12. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 13. Authorizations. The Authorized Signatories are hereby authorized to execute and deliver on behalf of the City the Loan Documents as provided hereby. All officials and employees of the City, including, without limitation, the Authorized Signatories, are authorized and empowered, collectively or individually, to take all other actions and steps and to execute all instruments, documents, and contracts on behalf of the City as they shall deem necessary or desirable in connection with the completion of the Loan and the carrying out of the intention of this Resolution.

SECTION 14. Controlling Law; Members of Governing Body Not Liable. All covenants, stipulations, obligations and agreements of the City contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the City in his individual capacity, and neither the members of the Governing Body nor any official executing the 2020 Note shall be liable personally on the 2020 Note or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the City or such members thereof.

SECTION 15. Effect of Covenants. All covenants, stipulations, obligations and agreements of the City contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the City and of the Governing Body and of each department and agency of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided herein, all rights, powers and privileges conferred and duties and liabilities imposed upon the City or upon the Governing Body by the provisions of this Resolution shall be exercised or performed by the Governing Body, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

SECTION 16. Repeal of Inconsistent Ordinances or Resolutions. All ordinances or resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

SECTION 17. Effective Date. This Resolution shall be effective immediately upon its adoption in the manner provided by law.

PASSED AND CERTIFIED AS TO PASSAGE this 2nd day of March, A.D. 2020.

H. WILLIAM MUTZ, MAYOR

ATTEST: _____
KELLY S. KOOS, CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS: _____
PALMER C. DAVIS
CITY ATTORNEY

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EXHIBIT "A" TO RESOLUTION
FORM OF LOAN AGREEMENT
(WITH ATTACHED FORM OF NOTE)

LOAN AGREEMENT

This LOAN AGREEMENT is made and entered into as of March 1, 2020, and is by and between the CITY OF LAKELAND, FLORIDA, a municipal corporation duly organized and validly existing under the laws of the State of Florida, and its successors (the "Issuer"), and TD BANK, N.A., and its successors and assigns as holder of the hereinafter defined Note (the "Lender").

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 words and terms used in capitalized form in this Agreement shall have the meanings as set forth above and the following words and terms shall have the following meanings:

"Act" means Chapter 166, Florida Statutes, the Charter of the City of Lakeland, Florida, and other applicable provisions of law.

"Additional Indebtedness" means Non-Ad Valorem Revenue Obligations issued by the Issuer after the date hereof.

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

"Amortization Installment" means the funds to be deposited in the debt service fund or similar fund or account related to the applicable Non-Ad Valorem Revenue Obligations created for that purpose, in a given Note Year for the payment at maturity or redemption of a portion of Term Obligations of a designated series, as established by resolution or ordinance of the Issuer at or before the delivery of that series of Term Obligations.

"Annual Budget" means the budget or budgets, as amended and supplemented from time to time, prepared by the Issuer for each Fiscal Year in accordance with the laws of the State.

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

"Capital Appreciation Obligations" means Non-Ad Valorem Revenue Obligations that bear interest, compounded semiannually, that is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Compounded Amounts.

"City Manager" means the City Manager of the Issuer.

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

"Commercial Paper Obligations" means any Non-Ad Valorem Revenue Obligation or a proportionate maturity thereof with a maturity of less than 271 days designated by the Issuer in writing as a Commercial Paper Obligation.

"Compounded Amounts" means the principal amount of Capital Appreciation Obligations plus the amount of interest that has accreted on such obligations, compounded semiannually, to the date of calculation, determined by reference to accretion tables contained in each such obligations or an offering circular with respect thereto. The Compounded Amounts for such Capital Appreciation Obligations as of any date not stated in such tables shall be calculated by adding to the Compounded Amount for such obligations as of the date stated in such tables immediately preceding the date of computation a portion of the difference between the Compounded Amount for such preceding date and the Compounded Amount for such obligations as of the date shown on such tables immediately succeeding the date of calculation, apportioned on the assumption that interest accretes during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Covenant Obligation Debt Service Requirement" means for a given Note Year the remainder, after subtracting any accrued interest or capitalized interest for that year that has been deposited into the debt service fund or similar fund or account related to the applicable Non-Ad Valorem Revenue Obligations for that purpose, from the sum of:

(1) The amount required to pay the interest coming due on Non-Ad Valorem Revenue Obligations during that Note Year, including the accreted interest component of the Compounded Amount of Capital Appreciation Obligations coming due during the Note Year,

(2) The amount required to pay the principal of Serial Obligations and the principal of Term Obligations maturing in that Note Year that are not included in the previous Amortization Installments for such Term Obligations, including the principal component of the Compounded Amounts of Capital Appreciation Obligations, maturing in that Note Year, and

(3) The Amortization Installment for all Term Obligations for that Note Year.

For purposes of determining the Covenant Obligation Debt Service Requirement for Section 3.02 hereof, the following provisions shall apply:

(a) The interest rate on Variable Rate Obligations (other than Taxable Obligations and Subsidy Obligations) shall be assumed to be the greater of (1) the average of the Securities Industry and Financial Markets AssociationTM Municipal Swap Index for the immediately preceding 52 weeks (or if not available for such 52-week period, then for the longest immediately preceding period for which available), or if such index is no longer published, a comparable 7-day index for high quality variable rate demand obligations selected

by the Issuer, in either case, plus 50 basis points (0.50%), or (2) if the variable rate on such Non-Ad Valorem Revenue Obligations or other indebtedness is determined by reference to an index or a formula based on an index, the average interest rate which would have been applicable to such Variable Rate Obligations (or other variable rate indebtedness) based on such index or formula during the immediately preceding 52-week period (or if not available for such 52-week period, then for the longest immediately preceding period for which available).

(b) The interest rate on Variable Rate Obligations that are Taxable Obligations or Subsidy Obligations shall be assumed to be the interest rate quoted for the week preceding the date of calculation on direct United States Treasury obligations having a maturity the same (or approximately the same) as the nominal maturity of the Variable Rate Obligations, plus 50 basis points (0.50%).

(c) If the Issuer has entered into a Qualified Hedge Agreement with respect to Non-Ad Valorem Revenue Obligations, the interest coming due on Non-Ad Valorem Revenue Obligations, up to an amount equal to the "notional" amount of the Qualified Hedge Agreement, shall be the net aggregate amount each applicable period, taking into account (i) the actual interest borne by such Non-Ad Valorem Revenue Obligations for such period (using the assumptions described above for Variable Rate Obligations, if applicable), (ii) the Qualified Hedge Receipts for such period and (iii) the Qualified Hedge Payments for such period, with the payments described in clauses (ii) and (iii) above being calculated on the applicable notional amount and using the assumptions described above for Variable Rate Obligations, if applicable.

(d) If two series of Variable Rate Obligations, or one or more maturities within a series, are issued simultaneously with inverse floating interest rates providing a composite fixed rate for such Non-Ad Valorem Revenue Obligations taken as a whole, such composite fixed rate shall be used in determining the Covenant Obligation Debt Service Requirement with respect to such Non-Ad Valorem Revenue Obligations for all purposes of this Agreement.

(e) If a series of Variable Rate Obligations is subject to purchase by the Issuer pursuant to a mandatory or optional tender by the holders thereof, the "tender" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of all calculations hereunder.

(f) With respect to Designated Maturity Obligations, the unamortized principal coming due on the final maturity date thereof that the Issuer reasonably anticipates refinancing, as reflected in the Annual Budget or as otherwise evidenced or determined by the Issuer shall not be included and in lieu thereof, there shall be included in the Covenant Obligation Debt Service Requirement for the Note Year in which such final maturity occurs only the principal amount thereof the Issuer reasonably anticipates to become due in such Note Year, taking into account any such anticipated refinancing of such Designated Maturity Obligations. Draw down loans and lines of credit which are Designated Maturity Obligations may either be amortized over twenty years from the date of calculation assuming the full amount available thereunder has been drawn or calculated in accordance with this paragraph (f) assuming the full amount available to be drawn thereunder has been drawn or tested on each advance date for such amount proposed to be advanced using the foregoing assumptions.

(g) With respect to Commercial Paper Obligations, only the interest obligations with respect to such Commercial Paper Obligations and the principal amount of the Commercial Paper Obligations the Issuer reasonably expects to retire and not to pay with the proceeds of roll-over Commercial Paper Obligations in such Note Year (as reflected in the Annual Budget or as otherwise determined by the Issuer) shall be included in the calculation of the Covenant Obligation Debt Service Requirement. The interest rate on the Commercial Paper Obligations shall be assumed for purposes of calculating the Covenant Obligation Debt Service Requirement, to be equal to the greater of (i) the average of the Securities Industry and Financial Markets AssociationTM Municipal Swap Index for the immediately preceding 52 weeks (or if not available for such 52-week period, then for the longest immediately preceding period for which available), or if such index is no longer published, a comparable 7-day index for high quality variable rate demand obligations selected by the Issuer, in either case, plus 50 basis points (0.50%), or (ii) the actual rate on such Commercial Paper Obligations.

(h) With respect to Non-Ad Valorem Revenue Obligations previously secured or payable from another source of funds, but with respect to which the Issuer has also covenanted to budget and appropriate Non-Ad Valorem Revenues for the payment of debt service on such obligations, only the principal and interest amounts with respect to such obligations that the Issuer reasonably expects to pay from Non-Ad Valorem Revenues or as to which the Issuer has actually budgeted and appropriated Non-Ad Valorem Revenues for such payment will be included in the calculation of the Covenant Obligation Debt Service Requirement.

(i) With respect to Non-Ad Valorem Revenue Obligations which the Issuer has covenanted to budget and appropriate Non-Ad Valorem Revenues for the payment of debt service on such obligations but which the Issuer reasonably intends to make payments from amounts in an enterprise fund related to such Non-Ad Valorem Revenue Obligations (and which amounts are not Non-Ad Valorem Revenues), only the principal and interest amounts with respect to such obligations that the Issuer reasonably expects to pay from Non-Ad Valorem Revenues or as to which the Issuer has actually budgeted and appropriated Non-Ad Valorem Revenues for such payment will be included in the calculation of the Covenant Obligation Debt Service Requirement.

"Covenant Obligation Maximum Debt Service Requirement" means, as of any particular date of calculation, the largest Covenant Obligation Debt Service Requirement for any Note Year during the remaining term of the applicable Non-Ad Valorem Revenue Obligations, except that with respect to any Non-Ad Valorem Revenue Obligations for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Non-Ad Valorem Revenue Obligations shall be reduced by the aggregate principal amount, or Compounded Amounts, as the case may be, of such Non-Ad Valorem Revenue Obligations that are to be redeemed or paid from Amortization Installments to be made in prior Note Years.

"Debt" means as of any date and 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: (i) all obligations of the Issuer for borrowed money or evidenced by bonds, notes or other similar instruments; (ii) all obligations of the Issuer 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; (iii) all obligations of the Issuer as lessee under capitalized leases; and (iv) all indebtedness of other persons to the extent guaranteed by, or secured by Non-Ad Valorem Revenues of, the Issuer. Debt shall not include any non-capitalized lease obligation regardless of its treatment for accounting purposes.

"Debt Service Account" means the City of Lakeland, Florida Taxable Revenue Note, Series 2020 Debt Service Account established by the Resolution from which the Issuer shall make payments of the principal of, interest on and any redemption or prepayment premiums with respect to the Loan under the Note.

"Designated Maturity Obligations" means any Non-Ad Valorem Revenue Obligation or a particular maturity thereof, with a maturity longer than 270 days, designated by the Issuer in writing, for which no mandatory sinking fund redemption requirements have been established.

"Event of Default" means an event of default specified in Article VI of this Agreement.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the Issuer pursuant to general law.

"Fitch" means Fitch Ratings Inc., a division of Fitch Group, Inc., a New York City, New York corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Lender" means TD Bank, N.A.

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

"Loan Amount" means \$81,000,000.

"Loan Documents" means this Agreement, the Note and the Resolution.

"Mayor" means the Mayor or, in his or her absence or inability to perform, the Mayor Pro Tem, of the Issuer.

"Maximum Rate" means an interest rate per annum equal to the lesser of the maximum rate permitted by law and 12%.

"Non-Ad Valorem Revenues" means all legally available revenues of the Issuer derived from any source whatsoever, other than ad valorem taxation on real and personal property, which are legally available for the payment by the Issuer of debt service on the Non-Ad Valorem Revenue Obligations, including, without limitation, investment income and legally available non-ad valorem revenues derived from sources subject to a prior pledge thereof for the payment of other obligations of the Issuer and available after payment of principal and interest on such other obligations; provided, however, that revenues of the Issuer accounted for in an enterprise fund under governmental accounting principles, including without limitation, the Issuer's energy system and water, wastewater and stormwater systems, shall not be included as Non-Ad Valorem

Revenues, except to the extent that revenues derived from any enterprise fund are deposited into the Issuer's General Fund.

"Non-Ad Valorem Revenue Obligations" means obligations evidencing indebtedness for borrowed money, including the Note, (i) the primary security for which is provided by a covenant of the Issuer to budget and appropriate Non-Ad Valorem Revenues of the Issuer for the payment of debt service on such obligations, or (ii) primarily secured or payable from another source of funds, but with respect to which the Issuer has also covenanted to budget and appropriate Non-Ad Valorem Revenues of the Issuer for the payment of debt service on such obligations, provided that obligations described in this clause (ii) shall only be considered Non-Ad Valorem Revenue Obligations to the extent the Issuer has included in its budget (by amendment or otherwise) the payment of such Non-Ad Valorem Revenues pursuant to such covenant to pay debt service on such obligations. Notwithstanding the foregoing, Non-Ad Valorem Revenue Obligations shall not include any debt secured by a pledge of the revenues of any enterprise fund under governmental accounting principles, including without limitation, the Issuer's energy system or water, wastewater and stormwater utility systems.

"Note" means the Issuer's Taxable Pension Liability Reduction Note, Series 2020 in the form attached hereto as Exhibit "A."

"Note Year" means the annual period beginning on the first day of October of each year and ending on the last day of the succeeding September, with the first Note Year ending September 30, 2020; provided however, principal and interest on Debt maturing or becoming subject to redemption on October 1 of any year shall be deemed to mature or become subject to redemption on the last day of the preceding Note Year.

"Notice Address" means,

As to the Issuer:	Office of the City Attorney 228 S. Massachusetts Avenue Lakeland, Florida 33801 Email address: michael.brossart@lakelandgov.net
As to the Lender:	TD Bank, N.A. 2307 West Kennedy Boulevard Tampa, Florida 33609 Email address: robert.catoe@td.com

or to such other address (or email address for electronic communications) as either party may have specified in writing to the other using the procedures specified in Section 7.06 herein.

"Person" means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

"Pledged Funds" means (i) the Non-Ad Valorem Revenues budgeted and appropriated and deposited into the Debt Service Account to pay debt service and all other amounts due and

payable on or under this Agreement and the Note and (ii) all funds on deposit in the Debt Service Account (including all investment securities on deposit therein) and all investment earnings on any such funds.

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

"Qualified Hedge Agreement" means an agreement such as an interest rate swap, collar, cap, or other functionally similar agreement, between the Issuer and a counterparty, meeting the requirements of the ordinance or resolution authorizing the applicable Non-Ad Valorem Revenue Obligations to which such agreement applies and which payments to be made by the counterparty thereunder have been budgeted by the Issuer to the payment on such Non-Ad Valorem Revenue Obligations.

"Qualified Hedge Payment" means the payment obligation of the Issuer arising under a Qualified Hedge Agreement, which is calculated on the basis of interest on a notional amount which shall correspond with the principal amount of applicable Non-Ad Valorem Revenue Obligations, based upon a fixed or a variable rate index or formula. Qualified Hedge Payments include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example any termination fee, indemnification obligations or other fees payable to the counterparty).

"Qualified Hedge Receipts" means the payment obligations of the counterparty to the Issuer arising under a Qualified Hedge Agreement which are calculated on the basis of interest on a notional amount which shall correspond with the principal amount of Non-Ad Valorem Revenue Obligations described in the Qualified Hedge Agreement or such other certificate or ordinance or resolution of the Issuer, based upon a fixed or variable rate index or formula. Qualified Hedge Receipts include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example, any termination fee, indemnification obligations or other fees payable to the counterparty).

"Resolution" means a Resolution adopted by the City Commission of the Issuer on March 3, 2020.

"Serial Obligations" means all Non-Ad Valorem Revenue Obligations that are not Term Obligations.

"State" means the State of Florida.

"Subsidy Obligations" means any obligation (or the allocable portion thereof), the interest on which is not excluded from gross income for federal tax purposes, issued by the Issuer pursuant to Section 54AA of the Code for which the Issuer elects to receive direct subsidy payments in an amount equal to a portion of the interest paid on such bond or obligation or any other similar program, for which the Issuer elects to receive direct subsidy payments in an amount equal to a portion of the interest paid on such bond or obligation or any other similar program.

"Taxable Obligations" means Non-Ad Valorem Revenue Obligations (other than Subsidy Obligations) the interest on which is not intended at the time of the issuance thereof to be excluded from the gross income of the holders thereof for federal income tax purposes.

"Term Obligations" means all Non-Ad Valorem Revenue Obligations of a series for which Amortization Installments are established.

"Variable Rate Obligations" means Non-Ad Valorem Revenue Obligations issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage at the date of issue for the entire term thereof.

ARTICLE II

REPRESENTATIONS OF ISSUER

The Issuer represents and warrants to the Lender on the date hereof, that:

Section 2.01 Powers of Issuer. The Issuer is a municipal corporation, duly organized and validly existing under the laws of the State. The Issuer has the power under the Act to enact the Resolution, to borrow the Loan Amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure this Agreement and the Note in the manner contemplated hereby and to perform and observe all the terms and conditions of the Loan Documents on its part to be performed and observed and to carry out and consummate all other transactions contemplated hereby. The Issuer may lawfully borrow funds hereunder in order to provide funds to fund a portion of the unfunded pension obligations of the Issuer for the Issuer's pension plans (the "Unfunded Pension Liability").

Section 2.02 Authorization of Loan. The Issuer had, has, or will have on the date of the Note and at all relevant times, full legal right, power and authority to execute and deliver the Loan Documents, to issue the Note, and to carry out and consummate all other transactions contemplated hereby, and the Issuer has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The Issuer has duly authorized the borrowing of the Loan Amount provided for in this Agreement, the execution and delivery of this Agreement, and the issuance and delivery of the Note to the Lender, and to that end the Issuer warrants that it will, subject to the terms hereof and of the Note, take all action and do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Note. The Note has been duly authorized, executed, issued and delivered to the Lender and constitutes the legal, valid and binding obligation of the Issuer enforceable in accordance with the terms thereof and the terms hereof, and is entitled to the benefits and security of this Agreement, subject to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights, heretofore or hereinafter enacted, to the extent constitutionally applicable, and provided that its enforcement may also be subject to equitable principles that may affect remedies or other equitable relief, or to the exercise of judicial discretion in appropriate cases. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Note or the execution and delivery of or the performance by the Issuer of its obligations under this Agreement and the Note have been

obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect. NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE HEREIN OR IN THE NOTE TO THE CONTRARY, NEITHER THIS AGREEMENT NOR THE NOTE SHALL CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR LIMITATION, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE RESOLUTION. No holder or owner of the Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the Issuer which generate user service charges, regulatory fees or other Non-Ad Valorem Revenues, nor shall any holder or owner of the Note be entitled to payment of such principal and interest from any other funds of the Issuer other than the Non-Ad Valorem Revenues budgeted and appropriated in accordance with Section 3.06 hereof and Pledged Funds, all in the manner and to the extent herein and in the Resolution provided.

Section 2.03 Resolution. The Resolution has been duly adopted by the Issuer, is in full force and effect and has not been amended, altered, repealed or revoked in any way.

Section 2.04 No Violation of Law or Contract. The Issuer is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound, the breach of which could result in a material and adverse impact on the financial condition of the Issuer or the ability of the Issuer to perform its obligations hereunder and under the Note. The making and performing by the Issuer of this Agreement and the Note will not violate any applicable provision of law, and will not result in a material breach of any of the terms of any agreement or instrument to which the Issuer is a party or by which the Issuer is bound, the breach of which could result in a material and adverse impact on the financial condition of the Issuer or the ability of the Issuer to perform its obligations hereunder and under the Note.

Section 2.05 Pending or Threatened Litigation. Except as has been disclosed to the Lender in writing, there are no actions or proceedings pending against the Issuer or affecting the Issuer or, to the knowledge of the Issuer, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the Issuer, or which questions the validity of this Agreement or the Note or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby.

Section 2.06 Financial Information. The financial information regarding the Issuer furnished in writing to the Lender by the Issuer in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the Issuer from that presented in such information.

ARTICLE III

COVENANTS OF THE ISSUER

Section 3.01 Affirmative and Negative Covenants. For so long as any of the principal amount of or interest or any prepayment penalty on the Note is outstanding or any duty or obligation of the Issuer hereunder or under the Note remains unpaid or unperformed, the Issuer covenants to the Lender as follows:

(a) Payment. The Issuer shall pay the principal of, the interest on and any prepayment penalty on the Note and any other amounts due and payable under this Agreement and Note at the time and place and in the manner provided herein and in the Note.

(b) Use of Proceeds. Proceeds from the Note will be deposited in the applicable pension trust fund to fund a portion of the Unfunded Pension Liability.

(c) Maintenance of Existence. The Issuer will take all legal action within its control in order to maintain its existence until all amounts due and owing from the Issuer to the Lender under this Agreement and the Note have been paid in full.

(d) Records. The Issuer agrees that any and all records of the Issuer with respect to the Loan shall be open to inspection by the Lender or its representatives at all reasonable times and after receipt by the Issuer of reasonable notice from the Lender at the offices the Issuer.

(e) Financial Statements and Budget. The Issuer will cause an audit to be completed of its books and accounts and shall make available electronically to the Lender audited year-end financial statements of the Issuer, including a balance sheet as of the end of such Fiscal Year and related statements of revenues, expenses and changes in net assets, certified by an independent certified public accountant to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the Issuer and the results of its operations and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. The Issuer shall make available electronically to the Lender (which may include by filing with the Electronic Municipal Market Access system operated by the Municipal Services Rulemaking Board or any successor system) the audited financial statements for each Fiscal Year ending on or after September 30, 2020, within 210 days after the end thereof and such other information respecting the affairs, condition and/or operations, financial or otherwise, of the Issuer as the Lender may from time to time reasonably request and shall make available electronically to the Lender an annual budget within 60 days after the same shall have been approved by the City Commission of the Issuer.

Section 3.02 Anti-Dilution. The Issuer may issue Additional Indebtedness only if the total amount of the Issuer's Non-Ad Valorem Revenues for the prior Fiscal Year was at least 2.0 times the amount of the Covenant Obligation Maximum Debt Service Requirement of all Non-Ad Valorem Revenue Obligations then outstanding and those proposed to be issued; however, the Issuer may incur additional Non-Ad Valorem Revenue Obligations to refund or defease the Note in whole without complying with the foregoing requirement.

If any of the Non-Ad Valorem Revenue Obligations described in the first paragraph of this Section 3.02 are Subsidy Obligations, the Covenant Obligation Maximum Debt Service Requirement on such indebtedness shall not, for purposes of this Section 3.02, be deemed to include interest to the extent that it is to be paid from a direct subsidy payment expected to be received from the United States Treasury (or such other similar entity of the Federal government) relating to such Subsidy Obligations, or any other subsidy or similar payments made by the Federal government and the Issuer has budgeted to deposit such amounts to the payment of debt service thereon; provided however that to avoid double counting, the amount of such subsidy payments shall then not be included in the determination of the Issuer's Non-Ad Valorem Revenues for purposes of this Section 3.02.

Within 210 days of the end of each Fiscal Year, the Issuer shall provide the Lender with a certificate comparing the Issuer's Non-Ad Valorem Revenues for the prior Fiscal Year to the amount of the Covenant Obligation Maximum Debt Service Requirement of all Non-Ad Valorem Revenue Obligations for such Fiscal Year. In the event that such certificate indicates that the Issuer's Non-Ad Valorem Revenues for the prior Fiscal Year were less than at least 2.0 times the amount of the Covenant Obligation Maximum Debt Service Requirement of all Non-Ad Valorem Revenue Obligations for such Fiscal Year, the Issuer agrees to provide to the Lender, on a quarterly basis, the Issuer's Non-Ad Valorem Revenues for the then current Fiscal Year.

Section 3.03 Registration and Exchange of Note. The Note shall initially be owned by the Lender and shall be registered on the registration books of the Issuer. The ownership of the Note may only be transferred, and the Issuer will transfer the ownership of the Note, upon written request of the Lender to the Issuer specifying the name, address and taxpayer identification number of the transferee, and the Issuer will keep and maintain at all times a record setting forth the identification of the owner of the Note. For every such exchange or transfer of the Note, the Issuer may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Note may only be sold, assigned or otherwise transferred to an entity:

- (a) that is an affiliate of the Lender;
- (b) that is a trust or other custodial arrangement established by the Lender or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or
- (c) an "accredited investor," as defined in Rule 501(A)(1), (2) or (3) under Regulation D of the Securities Act of 1933, as amended, or a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, in each case based on the Lender's reasonable reliance of written certifications provided by the new owner to the Issuer and Lender.

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

Section 3.04 Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Note, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Lender furnishing the Issuer proof of ownership thereof, an affidavit of lost or stolen instrument and indemnity reasonably satisfactory to the Issuer and paying such expenses as the Issuer may reasonably incur in connection therewith.

Section 3.05 Payment of Principal and Interest; Limited Obligation. The Issuer promises that it will promptly pay the principal of and interest on and any prepayment penalty or fee on the Note, at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and of the Note, provided that the Issuer may be compelled to pay the principal of and interest on and any prepayment penalty or fee with respect to the Note solely from the Non-Ad Valorem Revenues to the extent provided in Section 3.06 herein and Pledged Funds, and nothing in the Note, this Agreement or the Resolution shall be construed as pledging any other funds or assets of the Issuer to such payment or as authorizing such payment to be made from any other source. The Issuer is not and shall not be liable for the payment of the principal of and interest on the Note and any prepayment penalty with respect to or for the performance of any pledge, obligation or agreement for payment undertaken by the Issuer hereunder, under the Note or under the Resolution from any property other than the Non-Ad Valorem Revenues budget and appropriated to the extent provided in Section 3.06 herein and Pledged Funds. The Lender shall not have any right to resort to legal or equitable action to require or compel the Issuer to make any payment required by the Note or this Agreement from any source other than the Non-Ad Valorem Revenues budgeted and appropriated to the extent budgeted and appropriated to the extent provided in Section 3.06 herein and Pledged Funds and only to the extent and in the manner provided herein.

Section 3.06 Covenant to Budget and Appropriate. The Issuer hereby covenants and agrees, to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its Annual Budget for each Fiscal Year, by amendment if necessary, and to deposit to the credit of the Debt Service Account in a timely manner as needed to pay debt service on the Note, Non-Ad Valorem Revenues of the Issuer in an amount which is equal to the debt service with respect to the Note for the applicable Fiscal Year. Such covenant and agreement on the part of the Issuer to budget and appropriate sufficient amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until such Non-Ad Valorem Revenues in amounts sufficient to make all required payments hereunder and under the Note as and when due, including any delinquent payments, shall have been budgeted, appropriated and actually paid into the Debt Service Account; provided, however, that such covenant shall not constitute a lien, either legal or equitable, on any of the Issuer's Non-Ad Valorem Revenues or other revenues, nor shall it preclude the Issuer from pledging in the future any of its Non-Ad Valorem Revenues or other revenues to other obligations, nor shall it give the holder or owner of the Note a prior claim on the Non-Ad Valorem Revenues. Anything herein to the contrary notwithstanding, all obligations of the Issuer hereunder shall be secured by a lien upon only the Non-Ad Valorem Revenues actually budgeted and appropriated and deposited into the Debt Service Account, as provided for herein. The Issuer is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. The obligation of the Issuer to budget, appropriate and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after satisfying funding requirements for obligations having an express lien on or pledge of such

revenues and after satisfying funding requirements for essential governmental services of the Issuer and subject in all respects to the restrictions of Section 166.241(2), Florida Statutes, which generally provides that the governing body of each city 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. Notwithstanding the foregoing or anything herein to the contrary, the Issuer has not covenanted to maintain any service or program now provided or maintained by the Issuer which generates Non-Ad Valorem Revenues.

Section 3.07 Pledge. The payment of the principal of, premium, if any, and interest on the Note and all other amounts due and payable under this Agreement and the Note shall be secured by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein and in the Resolution. The Issuer does hereby pledge such Pledged Funds to the principal of, premium, if any, and interest on the Note and for all other payments provided for herein.

Section 3.08 Debt Service Account. The Issuer shall apply all moneys on deposit in the Debt Service Account to the timely payment of the principal of, premium, if any, and interest on the Note and other amounts due and payable under this Agreement and the Note. Money in the Debt Service Account, until applied in accordance with the provisions hereof, shall be held in trust for and be subject to a lien and charge in favor of the registered owner of the Note.

Section 3.09 Officers and Employees of the Issuer Exempt from Personal Liability. No personal recourse under or upon any obligation, covenant or agreement of this Agreement or the Note or for any claim based hereon or thereon or otherwise in respect thereof, shall be had against any officer, agent or employee, as such, of the Issuer, past, present or future, it being expressly understood (a) that the obligation of the Issuer under this Agreement and under the Note is solely a corporate one, limited as provided herein, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the officers, agents, or employees, as such, of the Issuer, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such officer, agent, or employee, as such, of the Issuer under or by reason of the obligations, covenants or agreements contained in this Agreement and under the Note, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the Note on the part of the Issuer.

Section 3.10 Business Days. In any case where the due date of interest on or principal of the Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Lender and interest shall continue to accrue and shall be payable on the actual date of payment.

Section 3.11 Separate Accounts. The moneys required to be accounted for the foregoing funds established herein may be deposited in a single bank account, and funds allocable to any fund or account established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of any funds or accounts and by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

Section 3.12 Most Favored Nations Provision. If after the date hereof the Issuer shall, under the terms of an ordinance or resolution or other document or instrument authorizing the issuance of Additional Indebtedness agree that (a) events of defaults in addition to those expressly set forth in Section 6.01 herein shall apply with respect to such Additional Indebtedness, then such additional events of default shall also apply with respect to the Note and this Loan Agreement, and (b) upon an event of default thereunder that the holder of such Additional Indebtedness shall have the right to declare such Additional Indebtedness to be immediately due and payable, then the registered owner of the Note shall also have such right of acceleration upon an Event of Default hereunder.

ARTICLE IV

CONDITIONS OF LENDING

The obligations of the Lender to lend hereunder are subject to the following conditions precedent:

Section 4.01 Representations and Warranties. The representations and warranties of the Issuer set forth in this Agreement and the Note are true and correct on and as of the date hereof.

Section 4.02 No Default. On the date hereof, the Issuer shall be in compliance with all the terms and provisions set forth in this Agreement and the Note on its part to be observed or performed, and no Event of Default or any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

Section 4.03 Supporting Documents. On or prior to the date hereof, the Lender shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Lender (such satisfaction to be evidenced by the purchase of the Note by the Lender):

(a) The opinion of the attorney for the Issuer, regarding the due authorization, execution, delivery, validity and enforceability of the Resolution authorizing this Agreement and the Note, and such other items as the Lender shall reasonably request;

(b) Such additional supporting documents as the Lender may reasonably request.

Section 4.04 Upfront Fee. The Issuer shall upon delivery of the Note pay an upfront fee to the Lender in the amount of 10 basis points (0.10%) of the principal amount of the Note, and fees of Lender's counsel in an amount not to exceed \$15,000.

ARTICLE V

FUNDING THE LOAN

Section 5.01 The Loan. The Lender hereby agrees to lend to the Issuer the Loan Amount to provide funds for the purposes described herein upon the terms and conditions set forth in this Agreement. The Issuer agrees to repay the principal amount borrowed plus interest thereon upon the terms and conditions set forth in this Agreement and the Note.

Section 5.02 Description and Payment Terms of the Note. To evidence the obligation of the Issuer to repay the Loan, the Issuer shall issue and deliver to the Lender the Note in the form attached hereto as Exhibit "A." Prepayment of principal may be made only as provided in the Note and the rate of interest on the Note, including any adjustments thereto, shall be as provided in the Note.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01 General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) payment of principal of or interest on the Note shall not be made when the same shall become due and payable, either at maturity or on the required payment dates by proceedings for redemption or otherwise; or

(b) the Issuer shall fail to comply with any of the covenants and obligations of the Issuer hereunder (other than those referred to in paragraph (a) above) and such failure shall continue unremedied for a period of sixty (60) days after notice by the Lender of such occurrence; or

(c) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other similar law or statute of the United States of America or the State, which shall not be dismissed, vacated or discharged within ninety (90) days after the filing thereof; or

(d) any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Non-Ad Valorem Revenues; or

(e) any of Moody's Investors Services, Inc., S&P Global Ratings or Fitch Ratings Inc. shall have downgraded its long-term unenhanced rating on any Non-Ad Valorem Revenue Obligations of the Issuer below "Baa1" (or its equivalent), "BBB+" (or its equivalent), or "BBB+" (or its equivalent) respectively; provided however, the Default Rate shall no longer be assessed if such rating or ratings are upgraded to the levels set forth above and provided further the Issuer shall not be required to maintain more than a single rating at any time.

Notwithstanding the foregoing, with respect to the events described in clause (b), the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

Section 6.02 Effect of Event of Default. Upon an Event of Default, the Note shall bear interest at the Default Rate. The Lender may, either at law or in equity, by suit, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in the Note and this Agreement, and may enforce and compel the performance of all duties required by the Note, this Agreement or by any applicable statute to be performed by the Issuer for performance hereunder or under the Note. All payments made on the Note, after an Event of Default, shall be first applied to accrued interest then to any reasonable costs or expenses, including reasonable legal fees and expenses, that the Lender may have incurred in protecting or exercising its rights under the Loan Documents and the balance thereof shall apply to the principal sum due. Subject to the provisions of Section 3.12 hereof, the right of acceleration upon an Event of Default shall not be available with respect to the Note.

ARTICLE VII

MISCELLANEOUS

Section 7.01 No Waiver; Cumulative Remedies. No failure or delay on the part of the Lender in exercising any right, power, remedy hereunder or under the Note shall operate as a waiver of the Lender's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 7.02 Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except in writing signed by the Lender and the Issuer.

Section 7.03 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 7.04 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section 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 7.05 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or

made in writing by the Issuer in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Note is outstanding.

Section 7.06 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received at the Notice Address.

Section 7.07 Applicable Law; Venue. This Agreement shall be construed pursuant to and governed by the substantive laws of the State. The Issuer and the Lender waive any objection either might otherwise have to venue in any judicial proceeding brought in connection herewith lying in Polk County, Florida, and applicable appeals courts.

Section 7.08 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The Issuer shall have no rights to assign any of its rights or obligations hereunder without the prior written consent of the Lender.

Section 7.09 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 7.10 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Note embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 7.11 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.

Section 7.12 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTE AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

[Signature page follows]

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

CITY OF LAKELAND, FLORIDA

ATTEST:

By: _____
Mayor

By: _____
Clerk of Commission

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

TD BANK, N.A.

By: _____
Vice President

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EXHIBIT "A"

FORM OF NOTE

THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE LOAN AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT AS PROVIDED IN THE LOAN AGREEMENT.

**CITY OF LAKELAND, FLORIDA
TAXABLE PENSION LIABILITY REDUCTION NOTE, SERIES 2020**

The CITY OF LAKELAND, FLORIDA (the "Issuer"), a municipal corporation duly created and existing under the laws of the State of Florida, for value received, promises to pay, but solely from the sources hereinafter provided, to the order of TD BANK, N.A. or registered assigns (together with any other registered owner of this Note, hereinafter, the "Lender"), the principal sum of EIGHTY-ONE MILLION DOLLARS (\$81,000,000) or such lesser amount as shall be outstanding hereunder, together with interest on the principal balance outstanding at the Interest Rate (defined below), calculated based upon a year of 360 days consisting of twelve 30-day months, such amounts to be payable as provided herein. This City of Lakeland, Florida Taxable Pension Liability Reduction Note, Series 2020 (this "Note") is issued pursuant to the Resolution of the Issuer adopted on March 3, 2020 (the "Resolution") and in conjunction with a Loan Agreement, dated as of March 1, 2020, between the Issuer and the Lender (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or referenced, in the Loan Agreement.

Principal of, prepayment penalty, if any, and interest on this Note are payable in immediately available funds constituting lawful money of the United States of America at the Principal Office or such place as the Lender may designate in writing to the Issuer.

The Issuer shall pay the Lender interest on the outstanding principal balance of this Note in arrears, commencing on October 1, 2020, and on the first day of April and October thereafter (each an "Interest Payment Date"), to and including the Maturity Date (hereinafter defined). The principal amount of this Note shall be payable in annual installments on the first day of October commencing on October 1, 2020 and ending on October 1, 2040 (the "Maturity Date") as set forth on Schedule I hereto. If any date for the payment of principal or interest is not a Business Day, such payment shall be due on the next succeeding Business Day in the manner provided in the Loan Agreement.

All payments by the Issuer pursuant to this Note shall apply first to accrued interest, then to other charges due the Lender, and the balance thereof shall apply to the principal sum due; provided, however, in an Event of Default, payment shall be applied in accordance with Section 6.02 of the Loan Agreement.

"Interest Rate" shall mean a rate equal to 2.42%, and upon an Event of Default shall mean the Default Rate, not to exceed the maximum rate permitted by law.

Upon the occurrence and during the continuance of an Event of Default under the Resolution, the Interest Rate shall be equal to the "prime rate" as quoted in *The Wall Street Journal* applicable on the date of such Event of Default plus eight percent (8%) per annum (the "Default Rate").

If any payment of principal or interest due hereunder is not paid within fifteen (15) days after the date due hereunder, the Issuer shall pay the Lender upon demand a late payment fee equal to six percent (6%) of the amount not paid when due.

This Note may be prepaid on any Business Day in whole or in part upon ten (10) days prior written notice to the Noteholder. In the event of any prepayment of this Note, whether by voluntary prepayment, acceleration or otherwise, the Issuer shall, at the option of the Noteholder, 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 "Fixed Rate Prepayment Charge" in an amount computed as follows:

The Fixed Rate Prepayment Charge shall be based on 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 ("Cost of Funds") subtracted from the stated interest rate on this Note ("Stated Interest Rate"). If the result is zero or a negative number, there shall be no Fixed Rate Prepayment Charge 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 (as defined below) and divided by 360. The resulting amount is the "Fixed Rate Prepayment Charge" due to the Noteholder upon prepayment of all or a portion of the principal of this Note, plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

"Fixed Rate Prepayment Charge" = Principal Amount Being Prepaid times (Stated Interest Rate - Cost of Funds) times days in the Remaining Term/360 days plus any accrued interest due for the Remaining Term.

"Noteholder" as used herein shall mean any person who shall be the registered owner of the Note as shown on the registration books of the Issuer for the Note.

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

The written notice of prepayment to the Noteholder shall specify the principal amount to be prepaid and the date that shall be the date of such prepayment. Notice having been given as aforesaid, the amount of the outstanding principal of this Note to be prepaid 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 plus the Fixed Rate Prepayment Charge, if any. If on the date of prepayment moneys for the payment of the principal amount to be prepaid on this Note, together with interest to the date of prepayment on such principal amount plus the Fixed Rate Prepayment Charge, if any, 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 this Note shall cease to accrue. If said money shall not have been so paid on the date of prepayment, such principal amount of this Note shall continue to bear interest

until payment thereof at the then applicable Interest Rate. Any such failure to pay the prepayment price shall not constitute an Event of Default hereunder. Any prepayment in part shall be applied to the remaining principal payments in inverse order of scheduled payments unless otherwise agreed to between the Issuer and the Noteholder.

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

This Note is payable solely from the Pledged Funds to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Funds as more specifically provided in the Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the Issuer is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Loan Agreement and the Resolution.

NOTWITHSTANDING ANYTHING HEREIN OR IN THE LOAN AGREEMENT OR THE RESOLUTION TO THE CONTRARY, THIS NOTE AND THE INTEREST HEREON DOES NOT AND SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER BUT SHALL BE PAYABLE SOLELY FROM THE MONEYS AND SOURCES DESIGNATED THEREFOR PURSUANT TO THE LOAN AGREEMENT, THIS NOTE AND THE RESOLUTION. NEITHER THE FAITH AND CREDIT NOR ANY AD VALOREM TAXING POWER OF THE ISSUER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENTAL HERETO.

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

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

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

[Remainder of page intentionally left blank]

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

The date of this Note is March 6, 2020.

CITY OF LAKELAND, FLORIDA

(SEAL)

By: _____
Mayor

ATTESTED AND COUNTERSIGNED:

By: _____
Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

SCHEDULE I
AMORTIZATION SCHEDULE

Amortization Date (October 1)	Principal Amount
2020	\$5,120,000
2021	4,455,000
2022	4,640,000
2023	4,825,000
2024	5,020,000
2025	5,215,000
2026	5,420,000
2027	5,630,000
2028	5,845,000
2029	6,065,000
2030	6,295,000
2031	3,445,000
2032	4,245,000
2033	3,255,000
2034	3,615,000
2035	2,355,000
2036	1,995,000
2037	1,455,000
2038	1,455,000
2039	315,000
2040	335,000