

LINE OF CREDIT AGREEMENT

by and between

CITY OF OCALA, FLORIDA

and

TRUIST BANK

Dated as of March __, 2022

Not to Exceed \$60,000,000
CITY OF OCALA, FLORIDA
TAXABLE REVENUE BOND, SERIES 2022
(FIRE FEE REIMBURSEMENT)

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LINE OF CREDIT AGREEMENT

This **LINE OF CREDIT AGREEMENT** is made and entered into as of March ____, 2022 by and between **CITY OF OCALA, FLORIDA** (the "Issuer"), and **TRUIST BANK** (together with its successors and/or assigns, the "Lender").

W I T N E S S E T H :

WHEREAS, the Issuer has previously determined that it is necessary for the health, safety and welfare of the Issuer and in the best interest of its inhabitants to fund the Project (as hereinafter defined). Issuance of the Series 2022 Bond (as hereinafter defined) satisfies an essential public purpose.

WHEREAS, the Issuer received a proposal from the Lender and the Lender has agreed to make a not to exceed \$60,000,000 non-revolving line of credit available to the Issuer; and

WHEREAS, pursuant to the Resolution, the Issuer has determined that it is in the best interest of the health, safety and welfare of the Issuer and the inhabitants thereof that the Issuer pledge the Pledged Revenues to secure the obligations of the Issuer to repay the principal of and interest on the Series 2022 Bond when due; and

WHEREAS, the obligation of the Issuer to repay principal of and interest on the Series 2022 Bond will not constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of any provision of the Constitution or laws of the State, but shall be and is hereby declared to be a special, limited obligation of the Issuer, secured solely by the Pledged Revenues; and

WHEREAS, the Issuer is not authorized to levy taxes on any property of or in the Issuer to pay the principal of or interest on the Series 2022 Bond or to make any other payments provided for herein; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS. Capitalized terms used in this Line of Credit Agreement and not defined in this Section 1 shall have the meanings assigned in the Resolution. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:

"Act" means Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law.

"Adjusted Essential Expenditures" means essential expenditures for general government and public safety as shown in the Issuer's audited financial statements less any revenues derived

from ad valorem taxation on real and personal property that are legally available to pay for such expenditures.

“Advance” means deposit by wire transfer or credit from the Lender to/for the account of the Issuer of a portion of the Loan by Lender to the Issuer.

“Authorized Officer” or “Authorized Officers” shall mean the Council President, the City Manager, the Finance Director or any officer or employee of the Issuer authorized to perform specific acts or duties hereunder by resolution duly adopted by the City Council.

“Available Amount” means, for any day, the Maximum Commitment Amount net of the aggregate principal amount of Advances honored by the Lender at any time. For the avoidance of doubt, this Line of Credit Agreement is a non-revolving credit facility and Advances borrowed hereunder may be repaid but not borrowed again.

“Bond Counsel” means Bryant Miller Olive P.A., or other nationally recognized bond counsel firm.

“Business Day” means any day other than Saturday, Sunday or day on which banking institutions within the State of Florida are authorized or required by law to remain closed.

“City Clerk” means the City Clerk or, in the City Clerk’s absence, any Deputy City Clerk duly authorized to execute documents or take other action, as the case may be, on the City Clerk’s behalf.

“City Council” means the City Council of the City of Ocala, Florida, the governing body of the City.

“City Manager” means the City Manager, as the chief operating officer of the Issuer.

“Council President” means the President of the City Council.

“Date of Delivery” means March ____, 2022.

“Debt Service Fund” means the Debt Service Fund established with respect to the Series 2022 Bond pursuant to Section 11 hereof.

“Default” means an event that, with the passage of time or the giving notice, or both, would constitute an Event of Default under Section 18 hereof.

“Default Rate” means the lesser of (i) 18% (ii) or the maximum rate allowed by law.

“Event of Default” means an Event of Default as defined and described in Section 18 hereof.

“Finance Director” means the Finance Director of the Issuer.

“Fiscal Year” means the period from each October 1 to the succeeding September 30.

“Fixed Rate” means the sum of the Swap Rate plus 0.8362% plus 0.35% per annum.

“Governmental Funds” means all of the “governmental funds” of the Issuer as described and identified in the audited financial statements of the Issuer.

“Issuer” means the City of Ocala, Florida.

“Line of Credit Agreement” means this agreement between the Lender and the Issuer setting forth the terms and details of the Loan.

“Loan” means the advance of moneys from the Lender to the Issuer pursuant to this Line of Credit Agreement.

“Maturity Date” means October 1, 2038.

“Maximum Commitment Amount” means \$60,000,000.

“Net Non-Ad Valorem Revenues Available For Debt Service” means the Non-Ad Valorem Revenues minus Adjusted Essential Expenditures.

“Non-Ad Valorem Revenues” means all revenues and taxes of the Issuer derived from any source whatsoever, other than ad valorem taxation on real and personal property, which are legally available to make the payments required herein.

“Notice of Advance” means a notice given by the Issuer pursuant to Section 4.D. in the form of Exhibit B.

“Owner” or “Owners” means the Person or Persons in whose name or names the Series 2022 Bond shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of the Line of Credit Agreement. The Lender shall be the initial Owner.

“Paying Agent” means the Finance Director.

“Permitted Lender” means any affiliate of the Lender or any bank, trust company, savings institution, insurance company, accredited investor, or qualified institutional buyer under Rule 144A promulgated under the Securities Act of 1933.

“Person” or words importing persons, means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities, and natural persons.

“Pledged Revenues” means the Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided herein, and amounts on deposit from time to time in the Debt Service Fund as provided herein.

“Principal Balance” means the amount of principal outstanding under the Series 2022 Bond at any time which amount shall equal the sum of all Advances less any prepayments of principal.

“Project” means the reimbursement of fire fees to claimants in accordance with the Judgment of the Fifth District Court of Appeals.

“Register” means the books maintained by the Registrar in which are recorded the name and address of the Registered Owner of the Series 2022 Bond.

“Registered Owner” means the Person in whose name the ownership of the Series 2022 Bond is registered on the books maintained by the Registrar. The initial Registered Owner shall be the Lender.

“Registrar” means the Person maintaining the Register. The Registrar shall initially be the City Clerk.

“Resolution” means Resolution No. _____ adopted by the Issuer on March ____, 2022, as may be amended and supplemented from time to time.

“Series 2022 Bond” means the Taxable Revenue Bond, Series 2022 (Fire Service Fee Reimbursement), of the Issuer.

“State” means the State of Florida.

“Swap Rate” means the rate for U.S. Dollar interest rate swaps with a maturity of 15 years expressed as percentage, as reported by Bloomberg for US Dollar Swaps as of three (3) Business Days prior to July 2, 2022. Should Bloomberg no longer release rates for fixed rate payers in U.S. Dollar interest rate swaps, the Lender may substitute the Bloomberg index for rates for fixed-payers in U.S. Dollar interest rate swaps with another similar index as determined by the Lender.

“Variable Rate” means the Index (as defined in Addendum A to the Series 2022 Bond) plus 1.07% per annum.

SECTION 2. 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. This Line of Credit Agreement and all the terms and provisions hereof (a) have been negotiated between the Issuer and the Lender; (b) shall not be construed strictly in favor of or against either party hereto; and (c) shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

SECTION 3. THE LOAN.

A. Loan. The Lender hereby makes and the Issuer hereby accepts the Loan, upon the terms and conditions set forth herein.

B. Disbursement of Proceeds. Proceeds of the Loan shall be made available to the Issuer in one or more Advances, as set forth herein. The proceeds of each Advance shall be used for the Project or the costs of issuance of the Series 2022 Bond.

SECTION 4. DESCRIPTION OF SERIES 2022 BOND. The obligation of the Issuer to repay the Loan shall be evidenced by the Series 2022 Bond. The Series 2022 Bond shall be dated as of the Date of Delivery; shall mature on the Maturity Date; and shall be in registered form.

A. Amount of Series 2022 Bond. The Principal Balance of the Series 2022 Bond shall be equal to the aggregate amount of all Advances requested by the Issuer and disbursed by the Lender less the amounts of principal repaid by the Issuer to the Lender, provided however, that the aggregate principal amount outstanding at any time shall not exceed Sixty Million Dollars (\$60,000,000).

B. Interest Rate. Interest on the Series 2022 Bond shall be as follows:

(1) From the Date of Delivery through and including July 1, 2022 (the “Variable Rate Period”), the Series 2022 Bond shall bear interest at the Variable Rate and be calculated based on an actual/360 day basis.

(2) From the July 2, 2022 through Maturity (the “Fixed Rate Period”), the Series 2022 Bond shall bear interest at the Fixed Rate and be calculated on a 30/360 day basis.

The Issuer may request the Lender to lock the Fixed Rate for the Fixed Rate Period up to 90 days prior to the commencement of the Fixed Rate Period for an additional fee to be determined and paid at the time of the request.

C. Payments. Except as set forth in the next sentence, interest on the Series 2022 Bond shall be paid semi-annually on each April 1 and October 1, commencing October 1, 2022. Notwithstanding the foregoing, the Issuer shall pay an initial interest payment on July 1, 2022 for interest accrued from the Date of Delivery through July 1, 2022. Principal shall be paid annually on October 1, commencing October 1, 2023 until the Maturity Date together with all accrued and unpaid interest.

D. Advances under the Series 2022 Bond. The Issuer may request Advances commencing on the Date of Delivery through July 1, 2022.

(1) Upon three (3) Business Days' written notice to the Lender, the Issuer may borrow an aggregate principal amount from time to time up to the Available Amount, by submitting a Notice of Advance, provided that no Advance will be made after July 1, 2022 and provided further that not more than four (4) Advances may be made during any 30-day period. Amounts advanced and repaid may not be re-advanced. Each Advance must be in an amount in an

integral multiple of \$1,000 and equal to or greater than \$500,000 or such lesser amount equal to the Available Amount (with the exception of the initial Advance which shall be in the principal amount of \$_____). The Issuer's obligation to pay the principal of, and interest on the Advances made hereunder shall be evidenced by the Series 2022 Bond and the records of the Lender, updated for each Advance and each principal repayment, shall be conclusive absent manifest error. Any Notice of Advance received by the Lender after 2:00 p.m. Eastern time shall be deemed received on the next Business Day.

(2) The Lender shall not be obligated to make any Advances unless (i) no Default or Event of Default has occurred and is continuing; (ii) the representations and warranties of the Issuer in this Agreement shall be true on correct on the date of such Advance and (iii) the Issuer delivers to the Lender a Notice of Advance, executed by an Authorized Officer, indicating the principal amount of the Advance requested, the date on which such Advance is to be made, and certifying as to the foregoing clauses (i) and (ii).

(3) Upon the satisfaction of the applicable conditions set forth herein, the Lender will make the proceeds of each Advance available to the Issuer on the date specified in the applicable request for an Advance by effecting a wire transfer of such amount by the Lender's close of business of the date of such Advance in immediately available funds to an account designated in writing by the Issuer to the Lender, or in such other manner as requested in the request for the Advance.

E. Prepayments. The Issuer may prepay the Series 2022 Bond as follows:

(1) During the Variable Rate Period, the Issuer may prepay the Series 2022 Bond at anytime without prepayment penalty.

(2) During the Fixed Rate Period, the Issuer may prepay the Series 2022 Bond, in whole or in part at anytime, without prepayment penalty, on or after October 1, 2027.

SECTION 5. EXECUTION OF SERIES 2022 BOND. The Series 2022 Bond shall be executed in the name of the Issuer by the Council President and attested by the City Clerk, and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Series 2022 Bond may be signed and sealed on behalf of the Issuer by any person who at the actual time of the execution of the Series 2022 Bond shall hold the appropriate office in the Issuer, although at the date thereof the person may not have been so authorized.

SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2022 BOND. The Series 2022 Bond shall be and shall have all the qualities and incidents of a negotiable instrument under the commercial laws and Uniform Commercial Code of the State of Florida, and each Registered Owner, in accepting the Series 2022 Bond, shall be conclusively deemed to have agreed that such Series 2022 Bond shall be and have all of the qualities and incidents of negotiable instruments thereunder.

There shall be a Registrar who shall be responsible for maintaining the Register. The person in whose name ownership of a Series 2022 Bond is shown on the Register shall be deemed the Registered Owner thereof by the Issuer and the Registrar, who may treat the Registered Owner as the absolute owner of the Series 2022 Bond for all purposes, whether or not the Series 2022 Bond shall be overdue, and any notice to the contrary shall not be binding upon the Issuer or the Registrar.

Ownership of the Series 2022 Bond may be transferred or assigned only upon the Register. Upon surrender to the Registrar for transfer or exchange of the Series 2022 Bond accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Registered Owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the Registered Owner or the transferee or transferees, as the case may be, a new fully registered Series 2022 Bond of the same amount, maturity and interest rate as the Series 2022 Bond surrendered. Provided however, any assignment or transfer by the Registered Owner of the Series 2022 Bond shall be in whole and not in part to a Permitted Lender.

The Series 2022 Bond presented for transfer or exchange, shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guaranty of signature satisfactory to the City Attorney, Bond Counsel, or the Registrar, duly executed by the Registered Owner or by his duly authorized attorney. No presentment shall be required for any payment on the Series 2022 Bond except upon final maturity.

The Registrar may charge the Registered Owner a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer after the first such exchange or transfer following the delivery of such Series 2022 Bond. The Registrar may also require payment from the Registered Owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto by a governmental entity other than the Issuer. Such charges and expenses shall be paid before any such new Series 2022 Bond shall be delivered.

The new Series 2022 Bond delivered upon any transfer or exchange shall be a valid obligation of the Issuer, evidencing the same debt as the Series 2022 Bond surrendered, shall be secured under this Line of Credit Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2022 Bond surrendered.

Whenever a Series 2022 Bond shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Series 2022 Bond shall be cancelled and destroyed by the Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Issuer.

SECTION 7. SERIES 2022 BOND MUTILATED, DESTROYED, STOLEN OR LOST.
In case the Series 2022 Bond shall be mutilated, or be destroyed, stolen or lost, upon the Registered Owner furnishing, upon request of the Issuer, the Registrar indemnity reasonably

satisfactory and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur, the Registrar shall issue and deliver a new Series 2022 Bond of like tenor as the Series 2022 Bond so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Series 2022 Bond, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Series 2022 Bond, upon surrender of such mutilated Series 2022 Bond, if any, to the Registrar and the cancellation thereof; provided however, if the Series 2022 Bond shall have matured or be about to mature, instead of issuing a substitute Series 2022 Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Series 2022 Bond be lost, stolen or destroyed, without surrender thereof. Any Series 2022 Bond surrendered under the terms of this Section 7 shall be cancelled by the Registrar.

Any such new Series 2022 Bond issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the Issuer whether or not, as to the new Series 2022 Bond, the lost, stolen or destroyed Series 2022 Bond be at any time found by anyone, and such new Series 2022 Bond shall be entitled to equal and proportionate benefits and rights as to security for payment to the same extent as the Series 2022 Bond originally issued hereunder.

SECTION 8. FORM OF SERIES 2022 BOND. The Series 2022 Bond shall be in substantially the form attached hereto as Exhibit A, with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Line of Credit Agreement.

SECTION 9. SECURITY FOR SERIES 2022 BOND; SERIES 2022 BOND NOT DEBT OF THE ISSUER. The payment of the principal of and interest on the Series 2022 Bond shall be secured forthwith solely by a lien upon and pledge of the Pledged Revenues. The principal of and interest on the Series 2022 Bond shall not constitute a general obligation or indebtedness of the Issuer, but shall be a limited obligation of the Issuer payable solely from the Pledged Revenues, as provided herein. The Registered Owner shall never have the right to compel the levy of taxes upon any property of or in the Issuer for the payment of the principal of and interest on the Series 2022 Bond.

SECTION 10. COVENANT TO BUDGET, APPROPRIATE AND DEPOSIT. (A) The Issuer covenants to budget and appropriate in each Fiscal Year such amount of Non-Ad Valorem Revenues sufficient to provide for the timely payment of the principal of and interest on the Series 2022 Bond. Subject to the next paragraph, the Issuer covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund (hereinafter created) amounts sufficient to pay principal of and interest on the Series 2022 Bond and all other payments due hereunder as the same shall become due. Such covenant and agreement on the part of the Issuer to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such

monies are budgeted, appropriated and deposited as provided herein. The Issuer further acknowledges and agrees that the obligations of the Issuer to include the amount of such amendments in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

(B) Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Owner of the Series 2022 Bond a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior 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). Anything in this Line of Credit Agreement to the contrary notwithstanding, it is understood and agreed that all obligations of the Issuer hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for herein and nothing herein shall be deemed to pledge ad valorem taxing power or ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no Owner of the Series 2022 Bond nor any other Person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder. The obligation of the Issuer to budget, appropriate, deposit and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer. Notwithstanding any provisions of this Line of Credit Agreement or the Series 2022 Bond to the contrary, the Issuer shall never be obligated to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Until such monies are budgeted, appropriated and deposited as provided herein, neither this Line of Credit Agreement nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer, but shall be payable solely as provided herein and is subject to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer and is further subject in all respects to the restrictions of Section 166.241, Florida Statutes insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer.

SECTION 11. DEBT SERVICE FUND. There is hereby created and established the “City of Ocala, Florida Taxable Revenue Bond, Series 2022 Debt Service Fund” (the “Debt Service Fund”). The Issuer shall deposit all Non-Ad Valorem Revenues budgeted and appropriated for

the payment of debt service on the Series 2022 Bond into the Debt Service Fund at least three (3) Business Days before the date such amounts are needed to pay the principal, interest, or other obligations coming due on the Series 2022 Bond. Such fund shall be a trust fund held by the Finance Director, which shall be held solely for the benefit of the Owner as provided herein and shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State. The designation and establishment of the Debt Service Fund in and by this Line of Credit Agreement shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

Until applied in accordance with this Line of Credit Agreement, the Non-Ad Valorem Revenues of the Issuer on deposit in the Debt Service Fund and other amounts on deposit from time to time in the funds and accounts established herein, plus any earnings thereon, shall be pledged to the repayment of the Series 2022 Bond.

SECTION 12. APPLICATION OF SERIES 2022 BOND PROCEEDS. At the time of delivery of the Series 2022 Bond herein authorized, the proceeds from the sale of the Series 2022 Bond shall be applied to any Advances shall be applied solely to fund the Project and held in escrow by the Issuer for the benefit of the Project.

SECTION 13. COVENANTS OF THE ISSUER. Until the principal of and interest on the Series 2022 Bond shall have been paid in full or provision for payment of the Series 2022 Bond shall have been made in accordance with the provisions of this Line of Credit Agreement, the Issuer covenants with the Registered Owner of the Series 2022 Bond as follows:

A. Payments. The Issuer will punctually pay all principal of and interest on the Series 2022 Bond when due by auto-debit of an account of the Issuer acceptable to the Lender, as provided by Section 4 hereof.

B. Financial Statements. The Issuer shall provide to the Lender its audited year-end financial statements no later than 270 days after the end of each Fiscal Year prepared in accordance with generally accepted accounting principles.

C. Annual Budget and Other Information. The Issuer will prepare its annual budget in accordance with the Act, and will provide to the Lender a copy of its final annual budget for each Fiscal Year within 30 days of adoption thereof by the City Council, and the Issuer will provide the Lender such other financial or public information as the Lender may reasonably request.

D. Additional Debt. The Issuer will not issue any additional obligations payable from Non-Ad Valorem Revenues, nor voluntarily create or cause to be created any debt, lien,

pledge, assignment, encumbrance or other charge against Non-Ad Valorem Revenues, or any part thereof, except as set forth below and with certification of the City that:

(i) No additional indebtedness payable from or secured by Non-Ad Valorem Revenues shall be issued by the Issuer unless the Issuer certifies that the average annual Net Non-Ad Valorem Revenues Available For Debt Service for the two prior Fiscal Years equals at least 200% of the maximum annual debt service on all debt payable from such Non-Ad Valorem Revenues, including the maximum annual debt service on the debt proposed to be issued.

Within this Section, for the purpose of calculating annual debt service on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Revenue Bond Index of The Bond Buyer, or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of the Issuer.

(ii) In the event any additional obligations are issued for the purpose of refunding any debt then outstanding, the conditions of this anti-dilution shall not apply, provided that the issuance of such additional obligations shall result in a reduction of the aggregate debt service on the applicable debt obligation.

SECTION 14. REPRESENTATIONS AND WARRANTIES OF THE ISSUER. The Issuer represents and warrants to the Lender that:

A. Organization. The Issuer is a municipal corporation, duly organized and existing under the laws of the State of Florida.

B. Authorization of Line of Credit Agreement and Related Documents. The Issuer has the power and has taken all necessary action to authorize the execution and delivery of and the performance by the Issuer of its obligations under, this Line of Credit Agreement and the Series 2022 Bond in accordance with their respective terms. This Line of Credit Agreement and the Series 2022 Bond have been duly executed and delivered by the Issuer and are valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except to the extent that such enforcement may be limited by laws regarding bankruptcy, insolvency, reorganization or moratorium applicable to the Issuer or by general principles of equity regarding the availability of specific performance.

C. Pledged Revenues. The Issuer currently receives the Pledged Revenues and is legally entitled to pledge from such Pledged Revenues amounts necessary to pay the principal of and interest on the Series 2022 Bond when due as provided herein. The Issuer estimates that the Pledged Revenues will be available in amounts sufficient to pay the principal of and interest on the Series 2022 Bond as the same becomes due prior to the Maturity Date and, to pay all principal of and interest on the Series 2022 Bond on the Maturity Date. The Issuer shall take all lawful action necessary to enable the Issuer to continue to receive the Pledged Revenues in at least the

amounts necessary to pay principal and interest on the Series 2022 Bond to the extent not paid from some other source.

D. Financial Statements. The audited financial statements of the Issuer for the Fiscal Year ended September 30, 2020 (the “Financial Statements”), previously provided to the Lender were prepared in accordance with generally accepted accounting principles, are correct and present fairly the financial condition of the Issuer as of such date and the results of its operations for the period then ended.

SECTION 15. REPRESENTATIONS AND WARRANTIES OF THE LENDER. The Lender represents and warrants to the Issuer as follows:

A. Existence. The Lender is a national banking association, with full power to enter into this Line of Credit Agreement, to perform its obligations hereunder and to make the Loan. The performance of this Line of Credit Agreement on the part of the Lender and the making of the Loan have been duly authorized by all necessary action on the part of the Lender.

B. Validity. This Line of Credit Agreement is a valid and binding obligation of the Lender enforceable against the Lender in accordance with its terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors’ rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

SECTION 16. CONDITIONS PRECEDENT. The obligation of the Lender to make the Loan is subject to the satisfaction of each of the following conditions precedent on or before the Date of Delivery:

A. Action. The Lender shall have received a copy of the Resolution certified as complete and correct as of the closing date, together with an executed Line of Credit Agreement, the executed Series 2022 Bond, and the customary closing certificates.

B. Incumbency of Officers. The Lender shall have received an incumbency certificate of the Issuer in respect of each of the officers who is authorized to sign this Line of Credit Agreement, the Series 2022 Bond, and the related financing documents on behalf of the Issuer.

C. Opinion of City Attorney. The Lender shall have received a written opinion of the City Attorney as to (1) the valid existence of the Issuer as a municipal corporation of the State; (2) the due adoption of the Resolution; (3) the due authorization and execution of this Line of Credit Agreement and the Series 2022 Bond, and the transaction contemplated hereby and thereby; (4) the Line of Credit Agreement and the Series 2022 Bond constituting valid and binding obligations of the Issuer, enforceable against the Issuer, in accordance with their respective terms; and (5) the absence of litigation against the Issuer relating to (a) its existence or

powers, (b) its authority to issue the Series 2022 Bond and pledge the Pledged Revenues, and (c) the procedures governing the authorization and issuance of the Series 2022 Bond, there is no litigation of any nature is now pending or, to our knowledge, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Series 2022 Bond, affecting in any way the payment of the principal of or interest thereon or otherwise affecting the carrying out of the terms and provisions of the Resolution and this Line of Credit Agreement and the covenants and agreements therein and herein, and each or any of them with respect to the Series 2022 Bond and this Line of Credit Agreement, or in any manner affecting the proceedings and authority for the issuance, sale, execution or delivery of the Series 2022 Bond or affecting directly or indirectly the validity of the Series 2022 Bond and this Line of Credit Agreement or of any provisions made or authorized for payment of the Series 2022 Bond, or contesting the powers of the Issuer to collect the Non-Ad Valorem Revenues as provided in this Line of Credit Agreement or any authority for the issuance of the Series 2022 Bond or the adoption of the Resolution or the corporate existence or boundaries of the Issuer, or the title to office of any officer whose signature appears on the Series 2022 Bond, the Resolution or this Line of Credit Agreement, or which could have a material adverse impact on the Issuer (financial or otherwise) in a form and substance satisfactory to the Lender.

D. Certificate of Finance Director. The Lender shall have received a certification from the Finance Director that: (1) since the date of the Financial Statements referred to in Section 14.D. above, there has been no material adverse change in the financial condition, revenues, properties or operations of the Issuer; (2) there are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the Issuer as of the date of such financial information which are not reflected therein; (3) there has been no material adverse change in the financial condition or operations of the Issuer since the date of such Financial Statements (and to the Finance Director's knowledge no such material adverse change is pending or threatened); and (4) the Issuer has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such information.

E. Representations and Warranties; No Default. The representations and warranties made by the Issuer herein shall be true and correct in all material respects on and as of the Date of Delivery, as if made on and as of such date; no Default shall have occurred and be continuing as of the Date of Delivery or will result from the consummation of the Loan; and the Lender shall have received a certificate from the Issuer to the foregoing effect.

F. Other Documents. The Lender shall have received such other documents, certificates and opinions as the Lender or its counsel shall have reasonably requested.

SECTION 17. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered, delivered by telecopier, mailed by registered or certified mail, postage prepaid, or delivered by courier service to the parties at the following addresses:

Issuer: City of Ocala, Florida
110 SE Watula Avenue
Ocala, Florida 34471
Attention: Director of Finance and Customer Service
E-mail: eroberts@ocalafl.org

Lender: Truist Bank
200 West Forsyth Street
Jacksonville, Florida 32202
Attention: Senior Vice President
E-mail: bryan.taylor@truist.com

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Communication via telecopier shall be confirmed by delivery by hand, mail, or courier, as specified above, of an original promptly after such communication by telecopier.

SECTION 18. EVENTS OF DEFAULT DEFINED. The following shall be “Events of Default” under this Line of Credit Agreement, and the terms “Default” and “Events of Default” shall mean (except where the context clearly indicates otherwise), any one or more of the following events:

A. Failure by the Issuer to make any payment of principal of or interest on the Series 2022 Bond or any other amount due under this Line of Credit Agreement when due.

B. Failure by the Issuer to observe and perform any other covenant, condition or agreement on its part to be observed or performed under this Line of Credit Agreement for a period of thirty (30) days after the earlier of (i) written notice of such default or failure was or was by the terms hereof required to be delivered to the Issuer by the Lender or (ii) the date written notice specifying such failure and requesting it to be remedied is given to the Issuer by the Lender, unless the Lender shall agree in writing to an extension of such time prior to its expiration.

C. The making of any warranty, representation or other statement by the Issuer or by an officer or agent of the Issuer in this Line of Credit Agreement, the Resolution, the Series 2022 Bond or in any instrument furnished in compliance with or in reference to this Line of Credit Agreement which is false or misleading in any material adverse respect.

D. The filing of a petition against the Issuer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, if an order for relief is entered under such petition or such petition is not dismissed within sixty (60) days of such filing.

E. The filing by the Issuer of a voluntary petition in bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or the consent by the Issuer to the filing of any petition against it under such law.

F. The admission by the Issuer of its insolvency or bankruptcy or its inability to pay its debts as they become due or that it is generally not paying its debts as such debts become due, or the Issuer's becoming insolvent or bankrupt or making an assignment for the benefit of creditors, or the appointment by court order of a custodian (including without limitation a receiver, liquidator or trustee) of the Issuer or any of its property taking possession thereof and such order remaining in effect or such possession continuing for more than sixty (60) days.

Upon an Event of Default, the Variable Rate or Fixed Rate shall immediately and automatically become the Default Rate.

SECTION 19. REMEDIES. For all Events of Default the Lender may sue to protect and enforce any and all rights, including the right to specific performance, existing under the laws of the State of Florida, of the United States of America, or granted and contained in this Line of Credit Agreement, and to enforce and compel the performance of all duties required by this Line of Credit Agreement or by any applicable laws to be performed by the Issuer, the City Council or by any officer thereof, and may take all steps to enforce this Line of Credit Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America.

Promptly upon obtaining knowledge of any Default or Event of Default or notice thereof (other than non-payment under Section 18.A. above), and in any event within (5) Business Days thereof, a certificate signed by the Finance Director of the Issuer specifying in reasonable detail the nature and period of existence thereof and what action the Issuer has taken or proposes to take with respect thereto.

SECTION 20. NO PERSONAL LIABILITY. No recourse shall be had for the payment of the principal of and interest on the Series 2022 Bond or for any claim based on the Series 2022 Bond or on this Line of Credit Agreement, against any present or former member or officer of the City Council or any person executing the Series 2022 Bond.

SECTION 21. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Line of Credit Agreement, shall be other than a Business Day, then such payment or performance shall be made on the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Line of Credit Agreement, provided that interest on any monetary obligation hereunder shall accrue at the applicable rate to and including the date of such payment.

SECTION 22. AMENDMENTS, CHANGES AND MODIFICATIONS. This Line of Credit Agreement may be amended only by a writing approved with the same formality as this Agreement, signed by both parties hereto.

SECTION 23. BINDING EFFECT. To the extent provided herein, this Line of Credit Agreement shall be binding upon the Issuer and the Lender and shall inure to the benefit of the Issuer and the Lender and their respective successors and assigns. This Line of Credit Agreement shall be discharged and neither the Issuer nor the Lender shall have any further obligations hereunder or under the Series 2022 Bond when the Issuer shall have paid the principal of and interest on the Series 2022 Bond in full and shall have paid in full all other amounts, if any, due under the Series 2022 Bond or this Line of Credit Agreement.

SECTION 24. SEVERABILITY. In the event any court of competent jurisdiction shall hold any provision of this Line of Credit Agreement invalid or unenforceable such holding shall not invalidate or render unenforceable, any other provision hereof.

SECTION 25. EXECUTION IN COUNTERPARTS. This Line of Credit Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 26. APPLICABLE LAW. This Line of Credit Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 27. VENUE; TRIAL BY JURY. The parties agree that jurisdiction and venue for the enforcement of this Line of Credit Agreement shall be in the state and/or federal courts of Marion County, Florida. The Issuer and the Lender each waives, to the fullest extent permitted by law, any right to trial by jury in respect of any litigation based upon the Series 2022 Bond or arising out of, under or in conjunction with the Series 2022 Bond or this Line of Credit Agreement.

SECTION 28. PATRIOT ACT. The Issuer has been notified by the Lender that pursuant to the requirement of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (the "PATRIOT Act"), the Lender may be 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 Lender to identify the Issuer in accordance with the PATRIOT Act.

SECTION 29. MUNICIPAL ADVISOR DISCLOSURE. In connection with the Lender's purchase of the Series 2022 Bond, and all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof), the Issuer acknowledges and agrees, that: (a) (i) the Issuer has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) the Issuer is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby, (iii) the Lender is not acting as a municipal advisor or financial advisor to the Issuer, and (iv) the Lender has no fiduciary duty pursuant to Section 15B

of the Securities Exchange Act to the Issuer with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Issuer on other matters); (b) (i) the Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Issuer or any other Person and (ii) the Lender has no obligation to the Issuer with respect to the transactions contemplated hereby except those obligations expressly set forth herein; and (c) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and the Lender has no obligation to disclose any of such interests to the Issuer. The Issuer acknowledges that the Lender is purchasing the Series 2022 Bond pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transactions contemplated hereunder.

SECTION 30. PERMISSION TO USE INFORMATION. The Issuer agrees and consents that the Lender shall be permitted to use information related to the Loan in connection with marketing, press releases or other transactional announcements or updates provided to investors or trade publications, including, but not limited to, the placement of the logo or other identifying name on marketing material or of “tombstone” advertisements in publications of its choice at its own expense.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Line of Credit Agreement as of the date first above written.

CITY OF OCALA, FLORIDA

(SEAL)

By: _____
President, Ocala City Council

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM AND LEGALITY

City Attorney

[Signature page to Line of Credit Agreement]

TRUIST BANK

By: _____

Name: Bryan Taylor

Title: Senior Vice President

EXHIBIT A

FORM OF SERIES 2022 BOND

No. R-1

Not to Exceed \$ _____

**CITY OF OCALA, FLORIDA
TAXABLE REVENUE BOND, SERIES 2022
(FIRE SERVICE FEE REIMBURSEMENT)**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUE</u>
(As described herein)	October 1, 2038	March __, 2022

REGISTERED OWNER:

PRINCIPAL AMOUNT: Not to Exceed _____

KNOW ALL MEN BY THESE PRESENTS, that the City of Ocala, Florida (the "Issuer"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on the Maturity Date, or sooner as provided herein, not to exceed the principal sum of \$60,000,000 or the amount so advanced and the interest on the outstanding principal hereof from the date of this Bond or from the most recent date to which interest has been paid, whichever is applicable, until payment of such principal, with all unpaid interest being due on the Maturity Date or upon the earlier payment of principal hereunder. The principal of, and interest on this Bond shall be payable in lawful money of the United States of America. Interest on the Bond shall be payable as follows: (i) From the Date of Issue through and including July 1, 2022 (the "Variable Rate Period"), this Bond shall bear interest at the Variable Rate (as defined in the Line of Credit Agreement) and be calculated based on an actual/360 day basis; and (ii) From the July 2, 2022 through the Maturity Date (the "Fixed Rate Period"), the Bond shall bear interest at the Fixed Rate (as defined in the Line of Credit Agreement) and be calculated on a 30/360 day basis. Interest shall be payable semi-annually on each April 1 and October 1, commencing October 1, 2022. Notwithstanding the foregoing, the Issuer shall pay an initial interest payment on July 1, 2022 for interest accrued from the Date of Issue through July 1, 2022. Principal shall be paid annually on October 1, commencing October 1, 2023 until the Maturity Date together with all accrued and unpaid interest. No presentment shall be required except upon final maturity.

This Bond is being issued in the not to exceed aggregate principal amount \$60,000,000 to fund the Project under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. _____, duly adopted by the City Council on March __, 2022 (the "Resolution"), and pursuant to a Line of Credit Agreement

between the Issuer and the Registered Owner, dated March __, 2022 (the "Line of Credit Agreement"), to which reference should be made to ascertain those terms and conditions. The terms and provisions of the Line of Credit Agreement and the Resolution, including without limitation, the definitions therein, are hereby incorporated as a part of this Bond. The principal of this Bond shall be disbursed by the Registered Owner hereof to the Issuer in one or more Advances, all in accordance with the Line of Credit Agreement.

This Bond is payable from and secured solely by the Pledged Revenues, as defined in and in the manner provided in, and subject to the terms and conditions of, the Resolution and the Line of Credit Agreement. This Bond shall not constitute a general obligation or indebtedness of the Issuer, but shall be a limited obligation of the Issuer payable solely from the Pledged Revenues as provided in the Line of Credit Agreement. The Registered Owner hereof shall never have the right to compel the levy of taxes upon any property of or in the Issuer for the payment of the principal of and interest on this Bond. Reference is made to the Line of Credit Agreement for the provisions relating to the security for payment of this Bond and the duties and obligations of the Issuer hereunder.

The Registered Owner may sue to protect and enforce any and all rights, including the right to specific performance, existing under the laws of the State of Florida, of the United States of America, or granted and contained in the Line of Credit Agreement, and to enforce and compel the performance of all duties required by the Line of Credit Agreement or by any applicable laws to be performed by the Issuer, the City Council or by any officer thereof, and may take all steps to enforce the Line of Credit Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America. The Issuer waives its right to trial by jury in the event of any proceedings in state or federal courts to enforce the terms of this Bond or of the Line of Credit Agreement, and the Registered Owner, by its acceptance of this Bond, waives its right to trial by jury in any such proceedings.

This Bond is subject to all the terms of the Line of Credit Agreement and Schedule I attached hereto.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to be performed, to exist and to happen precedent to and in the issuance of this Bond, have been performed, exist and have happened in regular and due form and time as so required.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, City of Ocala, Florida, has caused this Bond to be executed by the Council President and attested by the City Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue above.

CITY OF OCALA, FLORIDA

(SEAL)

By: _____
Council President

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is issued under the provisions of the within mentioned Resolution.

City Clerk of the City of Ocala, Florida,
as Authenticating Agent

Date of Authentication:

____, 2022

By: _____
Authorized Officer

ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto _____ (Please insert Social Security or other identifying number of transferee) _____ the attached Bond of the City of Ocala, Florida, and does hereby constitute and appoint, _____ attorney, to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:

Signature Guaranteed by

[member firm of the New York
Stock Exchange or a commercial
bank or a trust company.]

By: _____

Title:

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

EXHIBIT B

FORM OF NOTICE OF ADVANCE

NOTICE OF ADVANCE

[DATE]

Truist Bank
200 West Forsyth Street
Jacksonville, Florida 32202
Attention:
E-mail:

The undersigned, the City of Ocala, Florida, refers to the Line of Credit Agreement dated as of March __, 2022 (the "Line of Credit Agreement") by and between the undersigned and Truist Bank (the "Lender"), and hereby requests pursuant to Section 4.D. of the Line of Credit Agreement that the Lender make an Advance to the undersigned under the Line of Credit Agreement, and in that connection sets forth below the information relating to such Advance (the "Proposed Advance") as required by Section 4.D. of the Line of Credit Agreement:

Amount Requested: \$ _____

Date Advance to be made: _____

Proceeds of the Advance to be distributed as follows:

☐ Wire Transfer (Account Number _____)

Routing Number _____)

☐ Check sent to City of Ocala, Florida, _____, _____,
_____, or such other address as attached hereto.

☐ Account Transfer (Account Number _____)

All representations and statements made herein are for the benefit of the Lender and the other parties related to the issuance of the Series 2022 Bond and may not be relied upon by third parties.

The undersigned certifies that:

(i) No Default or Event of Default under the Line of Credit Agreement has occurred and is continuing; and

(ii) All representations and warranties of the Issuer contained in the Line of Credit Agreement are true and correct as of the date hereof (except for the representations made as of a specific date).

Very truly yours,

CITY OF OCALA, FLORIDA

By:_____

Name:_____

Authorized Officer