

LOAN AGREEMENT

between

CITY OF COCONUT CREEK, FLORIDA

and

BRANCH BANKING AND TRUST COMPANY

Dated August __, 2017

Relating to:

CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2017A

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. DEFINITIONS.....	2
SECTION 2. INTERPRETATION.....	4
SECTION 3. THE LOAN.....	4
SECTION 4. DESCRIPTION OF SERIES 2017A NOTE.....	4
SECTION 5. EXECUTION OF SERIES 2017A NOTE.....	4
SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2017A NOTE.	5
SECTION 7. SERIES 2017A NOTE MUTILATED, DESTROYED, STOLEN OR LOST.....	6
SECTION 8. FORM OF SERIES 2017A NOTE	6
SECTION 9. SECURITY FOR NOTE, NOTE NOT DEBT OF THE CITY	6
SECTION 10. COVENANTS OF THE CITY	6
SECTION 11. APPLICATION OF NOTE PROCEEDS.	8
SECTION 12. CONDITIONS PRECEDENT	9
SECTION 13. REPRESENTATIONS AND WARRANTIES.....	9
SECTION 14. TAX COMPLIANCE	10
SECTION 15. DESIGNATION PURSUANT TO INTERNAL REVENUE CODE.....	10
SECTION 16. NOTICES.....	10
SECTION 17. EVENTS OF DEFAULT DEFINED.....	11
SECTION 18. REMEDIES.....	12
SECTION 19. NO RECOURSE.....	12
SECTION 20. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS	12
SECTION 21. DEFEASANCE.....	12
SECTION 22. AMENDMENTS, CHANGES AND MODIFICATIONS.	13
SECTION 23. BINDING EFFECT.	13
SECTION 24. SEVERABILITY	13
SECTION 25. EXECUTION IN COUNTERPARTS	13
SECTION 26. APPLICABLE LAW.	13

This LOAN AGREEMENT is made and entered as of August __, 2017, by and between CITY OF COCONUT CREEK, FLORIDA (the "City") and BRANCH BANKING AND TRUST COMPANY (the "Lender").

WITNESSETH

WHEREAS, the City has a five-year capital improvement plan, as adopted from time to time (the "CIP"), which provides for the acquisition, construction, improvement and equipping of various public improvements (the "CIP Improvements"); and

WHEREAS, the City Commission hereby determines that it is necessary and appropriate for the City to undertake the implementation, acquisition, construction, improvement, equipping and repair of a portion of the CIP Improvements (the "Series 2017 Project"); and

WHEREAS, the City Commission of the City, by an ordinance enacted on July __, 2017 (the "Ordinance"), authorized the issuance of not exceeding \$10,000,000 Capital Improvement Revenue Note, Series 2017A (the "Series 2017A Note"), for such purpose; and

WHEREAS, the City has determined that it is in the best interest of the health, safety, and welfare of the City and the inhabitants thereof that the City covenant to budget and appropriate from the Non-Ad Valorem Revenues amounts sufficient to repay the principal of and interest on the Series 2017A Note when due and all other amounts due hereunder and under the Series 2017A Note; and

WHEREAS, the principal of and interest on the Series 2017A Note and all required sinking fund, reserve and other payments shall be payable from non-ad valorem revenues of the City and secured by the City's covenant to budget and appropriate from the non-ad valorem revenues each year monies sufficient to pay the principal and interest on such Series 2017A Note, as herein provided. The City shall never be required to levy ad valorem taxes on any property within its corporate territory to pay the principal of and interest on the Series 2017A Note or to make any of the required sinking fund, reserve or other payments, and such Series 2017A Note shall not constitute a lien upon any property owned by or situated within the corporate territory of the City; and

WHEREAS, the Series 2017A Note shall not constitute a general obligation or indebtedness of the City as a "bond" within the meaning of any provision of the Constitution of the State, but shall be and is hereby declared to be a special, limited obligation of the City, the principal of and interest on which are payable from and secured solely by the Pledged Funds in the manner herein provided, and the principal of and interest on the Series 2017A Note and all other payments provided for herein, will be secured solely by the Pledged Funds, and it will never be necessary or authorized to levy taxes on any real property of or in the City to pay the principal of or interest on the Series 2017A Note or other payments provided for herein. Furthermore, neither the Series 2017A Note nor the interest thereon, shall be or constitute a lien upon the Series 2017 Project or upon any other property of or in the City other than the Pledged Funds in the manner provided herein.

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 do hereby agree as follows:

SECTION 1. DEFINITIONS. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:

“Act” means Chapter 166, Florida Statutes, the Home Rule Charter of the City of Coconut Creek, and other applicable provisions of law.

“Additional Parity Obligations” mean additional obligations issued in compliance with the terms, conditions and limitations contained herein and which shall be secured by the City’s covenant to budget and appropriate from the non-ad valorem revenues each year for the payments thereon.

“Authorized Investments” means any obligations, deposit certificates, or other evidences of indebtedness legal for investment pursuant to law, to the extent not inconsistent with the terms of the investment policy of the City and applicable law.

“Business Day” means any day of the year on which banks in any of the cities in which the principal office of the Lender or of the designated office of any Paying Agent are located are not required or authorized by law to remain closed and on which the Lender and any Paying Agent are open for business.

“City” means City of Coconut Creek, Florida.

“Code” means the Internal Revenue Code of 1986, as amended, and any rules and regulations promulgated thereunder.

“Commission” means the City Commission of the City.

“Debt Service” means, for any period or at any time, the principal of, premium, if any, and interest on the Series 2017A Note for that period or at that time, whether due at maturity or redemption or otherwise.

“Default Rate” means the lesser of the rate of interest borne on the 2017A Note plus two (2) percent or the maximum rate permitted by law.

“Federal Securities” means direct obligations of the United States of America.

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

“Lender” means Branch Banking and Trust Company which is making the loan to the City pursuant to the terms of this Agreement, and its successors and assigns.

“Loan” means the loan evidenced by the Series 2017A Note.

“Maturity Date” means October 1, 2032.

“Ordinance” means the Ordinance of the City authorizing this Agreement, together with any ordinance amendatory or supplemental thereto.

“Non-Ad Valorem Revenues” means all of the revenues of the City derived from sources other than ad valorem taxation and legally available to pay the principal of and interest on the Series 2017A Note, subject to any prior liens or encumbrances on all or any specified portion thereof, whether now existing or hereafter created.

“Outstanding CBA Notes” means the Series 2003B Note, the Series 2012 Note and the Series 2017B Note.

“Paying Agent” means the Finance Director of the City.

“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 Funds” means the Non Ad Valorem Revenues budgeted and appropriated by the City for the payment of the Series 2017A Note and moneys and investment income therefrom held in the funds and accounts created hereby.

“Principal Amount” means an aggregate amount of \$10,000,000.

“Project” means the acquisition, construction, improvement and equipping of various public improvements in accordance with the City’s Five-Year Capital Improvement Plan, as amended and approved by the City from time to time.

“Register” means the books maintained by the Registrar in which are recorded the names, and addresses of the holder of the Series 2017A Note.

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

“Regulations” means the Income Tax Regulations promulgated by the Internal Revenue Service under Sections 103 and 141 through 150 of the Code in effect from time to time.

“Series 2003B Note” means the City’s Capital Improvement Revenue Note, Series 2003B in the original principal amount of \$9,332,290 issued for the purpose of refinancing the City’s outstanding Capital Improvement Revenue Bonds, Series 1997.

“Series 2012 Note” means the City’s Capital Improvement Revenue Note, Series 2012 in the original principal amount of \$5,269,850 issued for the purpose of refinancing the City’s outstanding Capital Improvement Revenue Bonds, Series 2003D.

“Series 2017A Note” means the promissory note of the City to the Lender in substantially the form attached hereto as Exhibit A with such modifications thereto as may be approved by the City Manager, upon the advice of the City Attorney and Bond Counsel, such approval to be presumed by the City Manager’s execution thereof.

“Series 2017B Note” means the City’s Capital Improvement Revenue Note, Series 2017B in the original principal amount of \$6,766,300 to be issued for the purpose of refinancing the City’s outstanding Capital Improvement Revenue Note, Series 2009.

“Sinking Fund” means the fund created and established by the City pursuant to Section 10(F) hereof.

“State” means the State of Florida.

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 Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

SECTION 3. THE LOAN.

A. Loan. The Lender hereby makes and the City hereby accepts the Loan in the principal amount of \$10,000,000 upon the terms and conditions herein.

B. Disbursement of Proceeds. The Lender shall disburse the proceeds of the Loan on the date of delivery to the City.

SECTION 4. DESCRIPTION OF SERIES 2017A NOTE. The Loan shall be evidenced by the Series 2017A Note. The Series 2017A Note shall be issued in fully registered form, without coupons; shall be dated as of the date of its delivery; shall be in the amount equal to \$10,000,000; shall bear interest on the outstanding principal amount thereof at a fixed annual rate of 2.46% per annum, subject to adjustment as set forth on Exhibit A to the Form of Note attached to the Series 2017A Note. Interest shall be calculated on a 30-day month and 360-day year basis, and shall be payable on April 1 and October 1 of each year, commencing October 1, 2017, and at maturity or upon earlier prepayment of the principal amount of the Series 2017A Note. The Series 2017A Note shall mature as set forth on the amortization schedule attached to the Series 2017A Note, with the final maturity on October 1, 2032.

The Series 2017A Note may be prepaid in whole or in part prior to maturity on any date on or after August __, 2022 at the option of the City without premium or penalty. Notice of such redemption shall be delivered to the Lender at least ten days prior to the prepayment date. If the Series 2017A Note is pre-paid in part, the Holder shall record the appropriate information in the Partial Redemption Record attached to the Series 2017A Note, and indicate receipt of such partial redemption by his signature on such Record.

SECTION 5. EXECUTION OF SERIES 2017A NOTE. The Series 2017A Note shall be executed in the name of the City by the City Manager, and attested and countersigned by the City Clerk, and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Series 2017A Note may be signed and sealed on behalf of the City by any person who at the actual time of the execution of the Series 2017A Note shall hold such office in the City, although at the date of the Series 2017A Note such person may not have been so authorized. The Series 2017A Note may be executed by the facsimile signatures of the City Manager or City Clerk.

SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2017A NOTE. The Series 2017A Note shall be and shall have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and the registered owner, in accepting the Series 2017A Note, shall be conclusively deemed to have agreed that such Series 2017A Note 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 any Series 2017A Note is shown on the Register shall be deemed the owner thereof by the City and the Registrar, and any notice to the contrary shall not be binding upon the City or the Registrar. The City and the Registrar may treat the registered owner as the absolute owner of the Series 2017A Note for all purposes, whether or not such Series 2017A Note shall be overdue, and shall not be bound by any notice to the contrary.

Ownership of Series 2017A Note may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of the Series 2017A Note 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 2017A Note of authorized denominations and of the same maturity and interest rate and for the same aggregate principal amount as the Series 2017A Note surrendered. Notwithstanding the foregoing, the Lender may assign participation interests in the Series 2017A Note to other lending institutions without the consent by the City, provided that the Lender shall give written notice of such participation to the City within 30 days of the effective date thereof.

The Series 2017A Note presented for transfer, exchange, redemption or payment (if so required by the City or the Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in the form and with guaranty of signature in the form attached to the Series 2017A Note, duly executed by the registered owner or by his duly authorized attorney.

The City and 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 the Series 2017A Note. The Registrar or the City 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, other than a fee or charge imposed by the City. Such charges and expenses shall be paid before any such new Series 2017A Note shall be delivered.

The new Series 2017A Note delivered upon any transfer or exchange shall be a valid obligation of the City, evidencing the same debt as the Series 2017A Note surrendered, shall be secured under this Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2017A Note surrendered.

Whenever the Series 2017A Note shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Series 2017A Note shall be cancelled and destroyed by the Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the City.

SECTION 7. SERIES 2017A NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case the Series 2017A Note shall be mutilated, or be destroyed, stolen or lost, upon the registered owner furnishing the Registrar proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur, the Registrar shall issue and deliver a new Series 2017A Note of like tenor as the Series 2017A Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Series 2017A Note, if any destroyed, stolen or lost, or in exchange and substitution for such mutilated Series 2017A Note. Any Series 2017A Note for which as new Series 2017A Note has been issued under the terms of this Section 7 shall be cancelled by the Registrar and deleted from the Register and no longer on the entitled to the benefits and rights as to lien on and source and security for payment from the special funds, as herein provided.

Any such duplicate Series 2017A Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the City whether or not, as to duplicate Series 2017A Note, the lost, stolen or destroyed Series 2017A Note be at any time found by anyone, and such duplicate Series 2017A Note shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the special funds, as hereinafter pledged, to the same extent as the other Series 2017A Note issued hereunder.

SECTION 8. FORM OF SERIES 2017A NOTE. The Series 2017A Note shall be in substantially the form of Exhibit A hereto with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Agreement.

SECTION 9. SECURITY FOR NOTE. The payment of the principal of and interest on the Series 2017A Note shall be secured forthwith, by a lien upon and a pledge of the Pledged Funds. The Series 2017A Note shall not constitute a general obligation or indebtedness of the City within the meaning of any constitutional limitation and the Lender shall never have the right to require or compel the levy of taxes upon any property of or in the City for the payment of the principal of and interest on the Series 2017A Note. The City does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Series 2017A Note and other amounts payable hereunder and under the Note.

The City does further covenant and represent that it has power under the Act to irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Series 2017A Note and that the pledge of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent resolution, ordinance or other proceeding of the Commission of the City, or by any subsequent act of the Legislature of the State of Florida.

The Series 2017A Note shall be secured by the covenant of the City to budget and appropriate Non-Ad Valorem Revenues as set forth in Subsection 10(D) below.

SECTION 10. COVENANTS OF THE CITY. So long as any of the principal of or interest on the Series 2017A Note shall be outstanding and unpaid or until provision for payment of the Series 2017A Note shall have been made pursuant to Section 21 hereof, the City covenants with the Lender as follows:

(A) Tax Compliance. The City will take all actions necessary to maintain the exclusion from gross income of interest on the Series 2017A Note to the same extent as such existed on the date of issuance of the Series 2017A Note.

(B) Financial Statements. Not later than 270 days following the end of each Fiscal Year, the City shall provide the Lender the annual audited financial statement of the City audited by the City's certified public accountants together with the report of such accountants.

(C) Annual Budget and Other Information. The City shall prepare its annual budget in accordance with Florida law, and shall provide the Lender a copy of its final annual budget for each Fiscal Year within 30 days of adoption thereof by the City Commission and shall provide the Lender with such other public information the Lender may reasonably request.

(D) Budget and Appropriate. The City covenants that it will, in each year while the Series 2017A Note is outstanding, budget and appropriate Non-Ad Valorem Revenues in an amount sufficient to make payments of principal and interest on such Series 2017A Note as they become due.

Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Lender a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of the principal of and interest on the Series 2017A Note, in the manner described herein, Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Florida Statutes which require a balanced budget and prohibit the City from expending or contracting for the expenditure in any fiscal year more than the amount budgeted in each fund's budget; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law. The City represents that the Series 2017 Project serves essential public purposes.

(E) Payment from Pledged Funds. The City will duly and punctually pay or cause to be paid, solely from the Pledged Funds, as provided herein, the principal of, and interest and

premium, if any, on the Series 2017A Note. However, the City at its option may make such payments from any legally available funds of the City so long as such principal, interest and premium are paid when due.

(F) Sinking Fund. The City hereby creates and establishes on its books and records, and shall maintain while the Series 2017A Note is outstanding, a special separate fund to be called the “City of Coconut Creek, Florida Capital Improvement Revenue Note Series 2017A Sinking Fund” (hereinafter called the “Sinking Fund”). Moneys on deposit in the Sinking Fund shall be used only for the purpose of paying principal and interest on Series 2017A Note as the same shall become due and for no other purpose.

On or before the Business Day prior to each date fixed for the payment of principal or interest on the Series 2017A Note, the City shall deposit from Non-Ad Valorem Revenues budgeted and appropriated for such purpose to the Sinking Fund the amounts sufficient to pay the interest and principal becoming due on the Series 2017A Note on such payment date.

Amounts on deposit in the Sinking Fund may be invested and reinvested by the City in Authorized Investments maturing or redeemable at the option of the City not later than the date such amounts are needed for the payments required hereunder. All income from the investment of moneys in the fund and accounts established by this Agreement shall, upon receipt thereof, be deposited to the credit of the Sinking Fund and used for the purposes thereof.

The designation of a special fund by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly used and defined in governmental accounting, but is intended solely to constitute an earmarking of certain moneys and investments for certain purposes and to establish certain priorities for application of such moneys and investments as herein provided. The moneys and investments required to be accounted for in the foregoing fund established herein may be deposited in a single fund or account, provided that adequate accounting records are maintained to reflect the allocation of the moneys and investments on deposit therein into the fund established hereunder and to control the restricted uses of such moneys and investments for the various purposes as herein provided.

(G) Notice of Defaults. The City shall within ten (10) days after it acquires knowledge thereof, notify the Lender in writing at its notice address provided in Section 16 hereof upon the happening, occurrence, or existence of any Event of Default, and shall provide the Lender, with such written notice, a detailed statement by a responsible officer of the City of all relevant facts and the action being taken or proposed to be taken by the City with respect thereto.

SECTION 11. APPLICATION OF NOTE PROCEEDS. The proceeds of the Series 2017A Note shall first be applied by the City to pay the costs of preparation and issuance of the Series 2017A Note and the Series 2017B Note and thereafter to pay the costs of the Series 2017 Project. The Lender shall have no responsibility for the use of the proceeds of the Series 2017A Note, and the use of Series 2017A Note proceeds by the City shall in no way affect the rights of the Lender.

SECTION 12. 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 closing date:

(i) Action. The Lender shall have received copies of all action taken by the City approving the execution and delivery by the City of this Agreement and the financing documents to which the City is a party, in each case certified as complete and correct as of the closing date.

(ii) Incumbency of Officers. The Lender shall have received an incumbency certificate of the City in respect of each of the officers who is authorized to sign this Agreement and the financing documents to which it is a party on behalf of the City.

(iii) Opinion of Counsel to the City. The Lender shall have received a written opinion of counsel to the City covering matters relating to the transactions contemplated by this Agreement and the financing documents, in form and substance satisfactory to the Lender.

(iv) Opinion of Bond Counsel. The Lender shall have received a letter from bond counsel authorizing the Lender to rely on the final legal opinion of bond counsel delivered to the City in respect of the Series 2017A Note as if such opinion were addressed to the bank.

(v) No Default, Etc. No Default shall have occurred and be continuing as of the closing date or will result from the making of the Loan and the representations and warranties made by the City shall be true and correct in all material respects on and as of the closing date, as if made on and as of such date.

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

SECTION 13. REPRESENTATIONS AND WARRANTIES. The City represents and warrants to the Lender that:

A. Organization. The City is a municipal corporation organized under the laws of the State of Florida.

B. Authorization of Agreement and Related Documents. The City has the power and has taken all necessary action to authorize the execution, delivery and performance of the City's obligations under this Agreement and each of the financing documents to which it is a party in accordance with their respective terms. This Agreement has been duly executed and delivered by the City and is, and each of the financing documents to which it is a party when executed and delivered will be, legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization or moratorium applicable to the City and general equitable principles regarding the availability of specific performance.

C. Non-Ad Valorem Revenues. The City currently receives the Non-Ad Valorem Revenues, and is legally entitled to covenant to budget and appropriate from such Non-Ad Valorem Revenues sufficient amounts in each Fiscal Year to pay the principal of and interest on the Series 2017A Note, when due, subject to any prior liens or encumbrances on such Non-Ad Valorem Revenues, whether now existing or hereafter created.

D. Financial Statements. The financial statements of the City for the year ending September 30, 2016, copies of which have been furnished to the Lender, have been prepared in accordance with generally accepted accounting principles and present fairly the financial condition of the City as of such date and the results of its operations for the period then ended. Since such date, there has been no material adverse change in the financial condition, revenues (including, without limitation, Non-Ad Valorem Revenues), properties or operations of the City.

SECTION 14. TAX COMPLIANCE. Neither the City nor any third party over whom the City has control, will make any use of the proceeds of the Series 2017A Note at any time during the term thereof which would cause the Series 2017A Note to be “private activity bonds” within the meaning of Section 103(b)(1) of the Code or “arbitrage bonds” within the meaning of Section 103(b)(2) of the Code. The City covenants throughout the term of the Series 2017A Note to comply with the requirements of the Code and the Regulations, as amended from time to time.

The City is causing the Series 2017A Note to be deemed a “qualified obligation” within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. Should subsequent but currently unforeseen actions by the City cause the Series 2017A Note to be classified as a “non-qualified obligation” pursuant to Section 265(b)(3)(B), Internal Revenue Code of 1986, as amended, the rate shall be adjusted to that level necessary to ensure that the anticipated after tax yield contemplated by the Lender at the time of closing is received, as more fully set forth in Exhibit A to the Form of Note.

In the event that the interest on the Series 2017A Note is ever determined to be taxable for purposes of federal or state income taxation, or in the event that any or all of the interest on the Series 2017A Note is deemed to be included in the gross income of the Lender for federal or state income taxation, or in the event the Lender is unable to deduct any other amounts as a result of purchasing or carrying the Series 2017A Note, or in the event of a change in the alternative minimum tax or in the method of calculating the alternative maximum tax to which the Lender may be subject, or in the event of any action which would otherwise decrease the after tax yield to the Lender, the interest on the Series 2017A Note shall be adjusted as provided in Exhibit A to the Form of Note. In no event, however, shall the interest rate on the Series 2017A Note exceed the maximum rate permitted by law.

SECTION 15. DESIGNATION PURSUANT TO INTERNAL REVENUE CODE. The Series 2017A Note is designated by the City as a qualified tax exempt obligation of the City pursuant to the provisions of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

SECTION 16. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

City: City of Coconut Creek, Florida
4800 West Copans Road
Coconut Creek, Florida 33063
ATTENTION: City Manager

Lender: Branch Banking and Trust Company

5130 Parkway Plaza Blvd., Building No. 9
Charlotte, NC 28217
ATTENTION: Governmental Finance

Bond Counsel: Akerman LLP.
50 North Laura Street
Suite 3100
Jacksonville, FL 32202
Attn: Peter L. Dame

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 to the Lender via telecopier shall be confirmed by delivery of a hard copy thereof to the Lender not later than two (2) Business Days after such communication by telecopier. Notices to the Paying Agent shall be effective only upon the receipt thereof by the Paying Agent.

SECTION 17. EVENTS OF DEFAULT DEFINED. The following shall be “Events of Default under this Agreement and the terms “Events of Default” shall mean (except where the context clearly indicates otherwise), whenever such term is used in this Agreement, any one or more of the following events:

A. Failure by the City to timely pay any loan repayment within five (5) days of the date on which such are due and payable;

B. Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of thirty (30) days after the date written notice specifying such failure and requesting that it be remedied, is given to the City by the Lender, unless the Lender shall agree in writing to an extension of such time prior to its expiration;

C. Any warranty, representation or other statement by the City or by an officer or agent of the City contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material adverse respect;

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

E. The City files a petition in voluntary 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 consents to the filing of any petition against it under such law; or

F. The City admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without

limitation a receiver, liquidator or trustee) of the City or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 60 days.

SECTION 18. REMEDIES. The Lender may sue to protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, of the United States of America, or granted and contained in this Agreement, and to enforce and compel the performance of all duties required by this Agreement or by any applicable laws to be performed by the City or by any officer thereof, and may take all steps to enforce this Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America.

Any amount not paid when due shall bear interest at the Default Rate commencing on the fifth day after the due date.

If an Event of Default shall happen and shall not have been remedied, the City or a receiver appointed for the purpose shall apply all Pledged Funds as follows and in the following order:

- (1) to the expenses incurred by the Noteholder or any trustee or receiver in enforcing the City's obligations, including their reasonable attorneys' fees and costs, whether or not suit be brought including, without limitation, the institution of voluntary or involuntary proceeding under the U.S. Bankruptcy Code, including such fees and costs at trial or on appeal;
- (2) to the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver;
- (3) first to the payment of interest due on and next to the payment of principal due on the Series 2017A Note.

SECTION 19. NO RECOURSE. No recourse shall be had for the payment of the principal of and interest on the Series 2017A Note or for any claim based on the Series 2017A Note or on this Agreement, against any present or former member or officer of the City or any person executing the Series 2017A Note.

SECTION 20. 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 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 Agreement, provided that interest on any monetary obligation hereunder shall accrue at the applicable rate to and including the date of such payment.

SECTION 21. DEFEASANCE. If, at any time, the City shall have paid, or shall have made provision for payment of, the principal and interest with respect to the Series 2017A Note and all costs and expenses of the Lender payable under this Agreement, then, and in that event, the pledge of and lien on the special funds pledged in this Agreement in favor of the Lender shall be no longer in effect and the City shall have no further obligation to comply with the covenants

contained in Section 10 hereof, other than the covenant contained in paragraph (A) of Section 10. For purposes of the preceding sentence, deposit of Federal Securities in irrevocable trust with a banking institution or trust company, for the sole benefit of the Series 2017A Note, with respect to which Federal Securities the principal of and interest will be sufficient to make timely payment of the principal and interest on the Series 2017A Note, and which are not subject to redemption prior to maturity, shall be considered “provision for payment.”

SECTION 22. AMENDMENTS, CHANGES AND MODIFICATIONS. This Agreement may be amended only by written instrument signed by the Lender and the City.

SECTION 23. BINDING EFFECT. To the extent provided herein, this Agreement shall be binding upon the City and the Lender and shall inure to the benefit of the City and the Lender and their respective successors and assigns.

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

SECTION 25. EXECUTION IN COUNTERPARTS. This 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 Agreement shall be governed by and construed in accordance with the laws of the State.

[Signature page follows.]

[Signature page to Loan Agreement relating to Series 2017A Note.]

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

CITY OF COCONUT CREEK, FLORIDA

(SEAL)

ATTEST:

By: _____
Mary C. Blasi, City Manager

By: _____
Leslie Wallace May, City Clerk

APPROVED AS TO LEGAL FORM:

By: _____
Terrill C. Pyburn, City Attorney

BRANCH BANKING AND TRUST
COMPANY

By: _____
Title: Senior Vice President

EXHIBIT A
FORM OF NOTE

NO. R-1

\$10,000,000

CITY OF COCONUT CREEK, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE
SERIES 2017A

<u>RATE OF INTEREST</u>	<u>FINAL MATURITY DATE</u>	<u>DATE OF ISSUE</u>
2.46% <small>(Subject to Adjustment)</small>	October 1, 2032	August __, 2017

REGISTERED OWNER: BRANCH BANKING AND TRUST COMPANY

PRINCIPAL AMOUNT: TEN MILLION DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Coconut Creek, Florida (the "City"), for value received, hereby promises to pay to the Registered Owner above or registered assigns, solely from the special funds mentioned below, the Principal Amount shown above, on the dates and in the amounts set forth on the Amortization Schedule attached hereto, the final principal payment to be made upon the presentation and surrender hereof at the office of the City Clerk of the City of Coconut Creek, Florida, as registrar (the "Registrar") and the Finance Director as the paying agent, and to pay solely from such special funds, interest on the Principal Amount hereunder from the date hereof to the date of payment thereof, at the annual Rate of Interest set forth above until payment of the Principal Amount above stated, such interest to be payable April 1 and October 1 of each year, commencing October 1, 2017 and on the Maturity Date or earlier prepayment of the Principal Amount. The Rate of Interest on this Note is subject to adjustment as set forth on Exhibit A hereto. Such interest will be calculated on a 360-day year consisting of twelve 30-day months. The principal of and interest on this Note are payable in lawful money of the United States of America.

This Note is issued under the authority of Chapter 166, Florida Statutes, and other applicable provisions of law, and pursuant and subject to the terms and conditions of an ordinance duly adopted by the City on July __, 2017 (the "Ordinance"), and a Loan Agreement, dated August __, 2017, (the "Agreement"), between the City and the initial purchaser of the Series 2017A Note, to which reference should be made to ascertain those terms and conditions.

Subject to the limitations and restrictions set forth in the Agreement, the City has covenanted in the Agreement to budget and appropriate in each Fiscal Year while this Note is outstanding, amounts sufficient, from legally available Non-Ad Valorem Revenues, to pay the principal of and interest on this Note during such Fiscal Year, as more particularly provided in

the Agreement. This Note is payable from and secured by a lien upon and pledge of the amounts so budgeted and appropriated and monies in the funds and accounts established pursuant to the Agreement (the “Pledged Funds”), all in the manner and as more particularly described in the Agreement.

This Note shall not constitute a general obligation or indebtedness of the City within the meaning of any constitutional limitation, and the Lender shall never have the right to require or compel the levy of ad valorem taxes on any property of or in the City for the payment of the principal of and interest on this Note. This Note shall not constitute a lien upon the Series 2017 Project, or upon any property of or in the City, but shall be payable from and secured solely by the Pledged Funds in the manner provided in the Agreement. Subject to the limitations set forth in the Resolution, the City has covenanted to budget and appropriate non-ad valorem funds in each year in an amount sufficient, together with the Pledged Funds available therefor, to make payments of principal and interest on the Note as they become due. Reference is made to the Agreement for the provisions relating to the security for payment of this Note and the duties and obligations of the City hereunder.

This Note may, at the option of the City, be prepaid in whole or in part, on any date on or after August __, 2022, at the price of the par amount thereof, without premium or penalty, plus accrued interest to the date of redemption. Notice of such redemption shall be given in the manner and to the extent specified by the Agreement. If this Note is redeemed in part, the Registered Owner shall enter an appropriate notation thereof in the Partial Redemption Record below.

The City has entered into certain covenants with the Noteholder for the terms of which reference is made to the Agreement. In particular, the City has reserved the right to issue additional obligations payable from the Non-Ad valorem Revenues or secured by covenant to budget and appropriate Not-Ad valorem Revenues, upon compliance with certain conditions set forth in the Agreement. The City has also reserved the right to defease its covenant to budget and appropriate Non-Ad valorem Revenues and the lien of this Note upon the Pledged Funds upon making provision for payment of this Note as provided in the Agreement. The City has caused the obligation to be deemed a “qualified tax exempt obligation” within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Note is subject to transfer or assignment by the Lender as provided in the Agreement.

This Note is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

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

IN WITNESS WHEREOF, City of Coconut Creek, Florida, has caused this Note to be executed by the City Manager, 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, and this Note to be dated as of August __, 2017.

CITY OF COCONUT CREEK, FLORIDA

(SEAL)

By: _____
Mary C. Blasi, City Manager

ATTEST:

By: _____
Leslie Wallace May, City Clerk

APPROVED AS TO FORM:

By: _____
Terrill Pyburn, City Attorney

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This note is the note of the issue described in the Ordinance.

City Clerk
As Registrar

By: _____
Authorized Signature

Date of Authentication:

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(PLEASE INSERT NAME AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE)

the within Bond of the City of Coconut Creek, Florida and does hereby constitute and appoint
_____ attorney to transfer the said Bond on
the books of the within named Issuer, with full power of substitution in the premises.

Dated: _____

In the presence of:

Bondholder

Notice: Signature(s) must be guaranteed by an institution which is a participant in the Transfer Agent Medallion Program ("STAMP") or similar program.

Note: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

PARTIAL REDEMPTION RECORD

<u>Principal Redeemed</u>	<u>Principal Balance Due</u>	<u>Date of Partial Redemption</u>	<u>Signature of Registered Owner</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Exhibit A to Form of Note

Adjustment to Interest Rate

The Rate of Interest on the Series 2017A Note shall be subject to adjustment as follows:

The interest rate on this Series 2017A Note shall be subject to adjustment as set forth below.

If (i) a "Determination of Taxability" (as defined below) shall occur, (ii) state or federal tax laws or regulations are amended to cause the interest on this Series 2017A Note to be taxable, to be subject to a minimum tax or an alternative minimum tax or to otherwise decrease the after tax yield on this Series 2017A Note to the owner hereof (directly or indirectly, in whole or in part), or (iii) this Series 2017A Note is no longer a "qualified tax-exempt obligation" as described in Section 265 (b)(3)(B) of the Code, then the interest on this Series 2017A Note shall be adjusted to cause the yield on this Series 2017A Note, after payment of any increase in tax, to equal what the yield on this Series 2017A Note would have been in the absence of such Determination of Taxability or change or amendment in tax laws or regulations or change in status.

The above adjustments shall be cumulative, but in no event shall the interest on this Series 2017A Note exceed the maximum permitted by law. The above adjustments to the interest rate on this Series 2017A Note shall be effective on the effective date of the applicable change in the tax laws or regulations. All tax rates and interest rates are expressed as annual rates. However, proper partial adjustment shall be made if the tax law change is effective after the first day of an owner's tax year or if the interest on this Series 2017A Note does not accrue for the entire tax year of the owner. Adjustments which create a circular calculation because the interest on this Series 2017A Note is affected by the calculation shall be carried out sequentially, increasing the interest on this Series 2017A Note accordingly in each successive calculation using as the new value the increase in the interest rate on this Series 2017A Note, until the change on the interest rate on this Series 2017A Note caused by the next successive calculation of the adjustment is de minimis.

For purposes hereof, "Determination of Taxability" means the circumstance of the interest on this Series 2017A Note becoming includable for federal income tax purposes in the gross income of the owner hereof as a consequence of any act, omission or event within the control of the City. A Determination of Taxability will be deemed to have occurred upon (i) the receipt by the City or the owner of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that the interest on this Series 2017A Note is includable in the gross income of the owner; (ii) the issuance of any public or private ruling of the Internal Revenue Service that the interest on this Series 2017A Note is includable in the gross income of the owner; or (iii) receipt by the City or the owner of an opinion of a bond counsel that the interest on this Series 2017A Note has become includable in the gross income of the owner for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on this Series 2017A Note is deemed includable in the gross income of the owner of this Series 2017A Note.

AMORTIZATION SCHEDULE

Payment Date	Principal	Coupon	Interest	Total
TOTAL				