

**RESOLUTION NO. 2022-58**

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA ACCEPTING THE PROPOSAL OF TD BANK, N.A. TO PROVIDE THE COUNTY WITH A TERM LOAN IN ORDER TO FINANCE COSTS OF THE DUNE AND BERM BEACH RESTORATION PROJECTS ALONG SOUTH PONTE VEDRA BEACH; APPROVING THE FORM OF A LOAN AGREEMENT; AUTHORIZING THE ISSUANCE OF THE ST. JOHNS COUNTY, FLORIDA TAXABLE SPECIAL OBLIGATION REVENUE NOTE, SERIES 2022 PURSUANT TO SUCH LOAN AGREEMENT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,000,000 IN ORDER TO EVIDENCE SUCH LOAN; AUTHORIZING THE REPAYMENT OF SUCH SERIES 2022 NOTE FROM A COVENANT TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM REVENUES; DELEGATING CERTAIN AUTHORITY TO THE CHAIRMAN, THE COUNTY ADMINISTRATOR, CLERK AND OTHER OFFICERS OF THE COUNTY FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF THE LOAN AGREEMENT, THE SERIES 2022 NOTE AND VARIOUS OTHER DOCUMENTS WITH RESPECT THERETO; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

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

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

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

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

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

"Clerk" shall mean the Clerk of the Circuit Court of St. Johns County, Florida and Ex-Officio Clerk of the Board of County Commissioners of the St. Johns County,

Florida and such other person as may be duly authorized to act on her or his behalf, including any Deputy Clerk.

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

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

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

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

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

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

**"Project"** shall mean the dune and berm beach restoration projects consisting of the restoring of the dune and berm system along South Ponte Vedra Beach, as more particularly described in the plans and specifications on file with the County, as the same may be amended and supplemented from time to time.

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

**"Series 2022 Note"** shall mean St. Johns County, Florida Taxable Special Obligation Revenue Note, Series 2022, as such Series 2022 Note is more particularly described in the Loan Agreement.

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

Words importing the masculine gender include every other gender.

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

**SECTION 2. AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the provisions of the Act. The County has ascertained

and hereby determined that adoption of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the County in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the County herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the County.

**SECTION 3. RESOLUTION TO CONSTITUTE CONTRACT.** In consideration of the purchase and acceptance of the Series 2022 Note by the Noteholder, the provisions of this Resolution shall be a part of the contract of the County with the Noteholder, and shall be deemed to be and shall constitute a contract between the County and the Noteholder. The provisions, covenants and agreements in this Resolution set forth to be performed by or on behalf of the County shall be for the benefit, protection and security of the Noteholder.

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

(A) Beach erosion control and restoration projects are an effective tool for preventing and offsetting some of the negative impacts of beach erosion, including loss of habitat, loss of recreational opportunities and endangerment of public and private property.

(B) The Board has previously approved the Project and all findings of the Board with respect to the foregoing are incorporated herein by reference and made a part of this Resolution.

(C) The County finds that the Project will promote and preserve tourism within the County, provide and preserve recreational opportunities for the public, enhance and preserve property values, protect wildlife and natural resources, protect public and private properties, and provide other public benefits and, accordingly, will be in the best interest of the County and its residents and serves a paramount public purpose.

(D) The County has been advised that the most efficient and cost-effective method of financing a portion of the costs of the Project is through a taxable term loan.

(E) The County's Financial Advisor solicited proposals from various financial institutions to provide a taxable term loan to finance a portion of the costs of the Project.

(F) The Noteholder submitted its proposal to provide the County with a taxable term loan to finance a portion of the costs of the Project, which proposal was the most favorable proposal received by the County and is attached hereto as Exhibit A.

(G) The Series 2022 Note shall evidence such term loan and shall be repaid solely from the Non-Ad Valorem Revenues in the manner and to the extent set forth herein and in the Loan Agreement and the ad valorem taxing power of the County will never be necessary or authorized to pay said amounts.

(H) Due to the potential volatility of the market for municipal obligations such as the Series 2022 Note and the complexity of the transactions relating to the Series 2022 Note, it is in the best interest of the County to issue the Series 2022 Note by a negotiated sale to the Noteholder, allowing the County to sell and issue the Series 2022 Note at the most advantageous time, rather than at a specified advertised date, thereby permitting the County to obtain the best possible price, terms and interest rate for the Series 2022 Note.

**SECTION 5. AUTHORIZATION OF THE FINANCING OF COSTS OF THE PROJECT.** The financing of a portion of the costs of the Project with proceeds of the Series 2022 Note is hereby authorized.

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

**SECTION 7. APPROVAL OF FORM OF LOAN AGREEMENT AND SERIES 2022 NOTE.** The County hereby approves a term loan from the Noteholder in the principal amount of not to exceed \$8,000,000. The terms and provisions of the Loan Agreement in substantially the form attached hereto as Exhibit B are hereby approved, with such changes, insertions and additions as the Chairman may approve. The County hereby authorizes the Chairman to execute and deliver, and the Clerk to attest and affix the County seal to, the Loan Agreement substantially in the form attached hereto as Exhibit B, with such changes, insertions and additions as the Chairman may approve, his execution thereof being conclusive evidence of such approval. In order to evidence the loan under the Loan Agreement, it is necessary to provide for the execution of the Series 2022 Note. The Chairman and the Clerk are authorized to execute and deliver the Series 2022 Note substantially in the form attached to the Loan Agreement as Exhibit A with such changes, insertion and additions as they may approve, their execution thereof being evidence of such approval. The Series 2022 Note shall have a final maturity of October 1, 2031 and the interest rate shall be 2.24% per annum. The Chairman shall determine, with the advice of the Financial Advisor, the principal amount of the Series 2022 Note,

and the principal repayment schedule for the Series 2022 Note and all of such terms shall be set forth in the Loan Agreement and the Series 2022 Note.

**SECTION 8. LIMITED OBLIGATION.** The obligation of the County to repay the Series 2022 Note is a limited and special obligation payable from Non-Ad Valorem Revenues solely in the manner and to the extent set forth in the Loan Agreement and shall not be deemed a pledge of the faith and credit or taxing power of the County and such obligation shall not create a lien on any property whatsoever of or in the County. The Non-Ad Valorem Revenues shall consist of legally available Non-Ad Valorem Revenues budgeted and appropriated by the Board to pay debt service on the Series 2022 Note, all in the manner and to the extent described in the Loan Agreement.

**SECTION 9. GENERAL AUTHORIZATION.** The Chairman, the County Administrator and the Clerk are authorized to execute and deliver such documents, instruments and contracts, whether or not expressly contemplated hereby; and the County Attorney and other employees or agents of the County are hereby authorized and directed to do all acts and things required hereby or thereby as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution.

**SECTION 10. REPEAL OF INCONSISTENT DOCUMENTS.** All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.


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**SECTION 11. EFFECTIVE DATE.** This Resolution shall become effective immediately upon its adoption.


**PASSED, APPROVED AND ADOPTED** this 15th day of February 2022.

(SEAL)

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

By:   
Henry Dean, Chair

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

By:   
Deputy Clerk



Rendition Date 2/17/22

**EXHIBIT A**

TD Bank, N.A. Proposal

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

December 3, 2021

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

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

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

RE: Request for Proposal for Special Obligation Revenue Note, Series 2022 (Not to Exceed \$19,000,000)

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

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

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

The Bank's Loan Proposal is subject to acceptance by the County prior to 2:00 pm eastern standard time on December 6, 2021 and is contingent upon a Loan Closing with mutually acceptable documents between the County and Bank on or before January 24, 2022, unless otherwise negotiated between the Parties.


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



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

Very truly yours,

TD BANK, N.A.

By:   
Robert W. Catoe  
Vice President

**TD Bank, N.A.**  
**TERMS AND CONDITIONS OF CREDIT ACCOMMODATION DATED**  
**December 3, 2021 ("Loan")**

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

1. **Loan**

- a) **Borrower:** St. Johns County, FL (the "Borrower")
- b) **Facility:** Series 2022: Special Obligation Revenue Note, Series 2022 (the "2022 Note")
- c) **Purpose:** The 2022 Note will be issued to (i) finance the cost of restoring the dune and berm system along South Ponte Vedra Beach and (iii) pay costs of issuance.
- d) **Amount:** Not to exceed \$19,000,000.00 USD
- e) **Security:** The 2022 Note and the interest thereon shall be secured by a covenant to budget and appropriate from all non-ad valorem revenues of the County not derived from ad valorem taxation and which are lawfully available to be used to pay debt service on amounts due under the 2022 Bond.
- f) **Settlement Date:** Estimated January 24, 2022
- g) **Maturity:** October 1, 2031
- h) **Repayment Terms:** Interest on the 2022 Note, shall be calculated based on a 360-day year comprised of twelve 30-day months, payable semiannually on April 1 and October 1, commencing on October 1, 2022.  
  
Principal on the 2022 Note will be paid annually on October 1, commencing October 1, 2022, with final maturity of October 1, 2031 in accordance with the Amortization Schedule attached in Appendix A.
- i) **Interest Rate:** **Taxable Fixed Rate:**  
Indicative Taxable Fixed Rate as of 12/3/2021 is **1.78%**  
  
Fixed rate of interest to be determined by adding 0.18% (18 basis points) to the prevailing seven (7) year Federal Home Loan Bank of Boston Amortizing Rate. The Interest Rate is provided in the website link below.

<https://www.fhlbboston.com/fhlbank-boston/rates#/amortizing>

**Tax-Exempt Fixed Rate:**

The Indicative Fixed rate as of 12/3/2021 is 1.45%.

Fixed rate of interest to be determined by adding 0.15% (15 basis points) to 81.5% of the prevailing seven (7) year Federal Home Loan Bank of Boston Amortizing Rate. The Interest Rate is provided in the website link below.

<https://www.fhlbboston.com/fhlbank-boston/rates#/amortizing>

**Rate Hold Option:** Bank will hold the interest rate for the Loan Facility for Borrower through the expected Closing Date of January 24, 2022, if Borrower confirms for the Bank, within 3 business days of proposal submission date (as long as the index has not moved more than 10 basis points) that the Bank will be recommended as the financial provider for the requested facility along with prepayment option being selected.

Otherwise, if the index has moved more than 10 basis points, the Bank reserves the right to reprice the final Loan Rate based on the formula above which was used to quote the Indicative Taxable and Tax-Exempt Rate for this Proposal.

j) **Prepayment Provision:**

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

This Note may be prepaid on any Business Day in whole or in part upon thirty (30) days prior written notice to the Bank. In the event of any prepayment of the 2022 Note, whether by voluntary prepayment, acceleration or otherwise, the Borrower shall, at the option of the Bank, pay a "fixed rate prepayment charge" equal to the greater of (i) 1.00% of the principal balance being prepaid multiplied by the "Remaining Term," as hereinafter defined, in years or (ii) a "Yield Maintenance Fee" in an amount computed as follows:

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

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

"Remaining Term" as used herein shall mean the remaining term of the 2022 Note.

**Option B:** Borrower can elect to have a "No Prepayment" penalty associated with 2022 Note by adding a premium of 9 basis points to the quoted proposed Loan Rates.

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

- k) **Default Rate of Interest:** The "default rate of interest" shall be six (6) percentage points in excess of the Prime Rate as quoted in the Wall Street Journal. Prime Rate shall have a floor of 3%.

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

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

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

2. **Fees and Expenses:** The Borrower shall pay to the Bank on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Bank in connection with the loan. The County's bond counsel will provide documentation associated with this transaction. Documentation will be subject to the review and approval of the Bank and the Bank's counsel. The County agrees to pay all legal fees and expenses of the Bank associated with the review and closing of this transaction, which costs may be paid with proceeds of the Loan with a maximum time basis not to exceed \$9,500. Bank's counsel shall be the following:

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

3. **Financial Reporting:**

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

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

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

4. **Legal Opinion:**

Prior to closing, there shall be delivered to the Bank: (A) an opinion of Bond Counsel acceptable to the Bank covering matters customary for a transaction of this type and nature and which shall, without limitation, opine that: (1) the Borrower is duly formed; (2) all loan documents have been validly authorized and executed by and on behalf of the Borrower, if any; (3) all loan documents are valid, binding, enforceable in accordance with their terms and do not violate any legal requirements, including without limitation, organizational documents, laws and material agreements; (4) the loan and loan documents are exempt from registration and qualification under the Securities Act of 1933 and Trust Indenture Act of 1939, and (5) (a) the interest on the taxable 2022 Note is not excludable from the gross income of the Bank or (b) the interest on the tax-exempt 2022 Note is excludable from the gross income of the Bank, and (B) An opinion of counsel to the Borrower in form and substance satisfactory to the Bank.

5. **Financial Covenants:**

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

**Anti-Dilution Test:** During such time as the 2022 Note is outstanding under the Resolution, the County agrees and covenants that (a) Non-Ad Valorem Revenues shall cover the Maximum Annual Debt Service on the Series 2022 Note and maximum annual debt service on Debt by at least 1.5 times, and (b) projected Maximum Annual Debt Service on the 2022 Note and maximum annual debt service for all Debt will not exceed twenty percent (20%) of Governmental Funds Revenue, exclusive of (i) ad valorem tax revenues restricted to payment of debt service on any Debt and (ii) any proceeds of the 2022 Note or debt. The calculations required by clauses (a) and (b) above shall be determined using the average of actual receipts for the prior two Fiscal Years based on the County's annual audited financial statements.

6. **Other Conditions:**

- a. No Material Adverse Change to the Borrower.
- b. The implementation of certain terms, conditions, covenants or other non-material changes to the proposed Credit Accommodation required as part of the Bank's formal credit approval shall be deemed an approval in substantially the form outlined in this proposed Credit Accommodation.
- c. All standard representations, warranties, rights and remedies in the event of default that are acceptable to the Bank.
- d. Most Favored Nations clause shall be included in the loan documents that states the Bank will receive benefit of acceleration or more favorable financial covenants if these are provided to another lender/bondholder backed by a covenant to budget and appropriate while the Loan is outstanding.
- e. If the County has any outstanding, publicly offered general obligation bonds or bonds that are secured by a covenant to budget and appropriate Non-Ad Valorem Revenues then the County shall maintain no less than one public rating on at least one series of such bonds and it shall constitute a "Credit Event" for purposes of this Agreement if such rating is downgraded below A3/A-/A- (or the equivalent) by any of Moody's, S&P or Fitch, respectively, as the case may be, or if such rating is withdrawn or suspended for credit related reasons. Notwithstanding the foregoing, if the County does not have any outstanding, publicly offered general obligation bonds or bonds that are secured by a covenant to budget and appropriate Non-Ad Valorem Revenues, it shall not be required to obtain any credit rating.
- f. Documents for the tax-exempt 2022 Note will include determination of taxability language (including retroactive interest, penalties and other fees and costs associated therewith) allowing for a higher taxable loan rate should the IRS deem the Loan to be a taxable facility due to events associated with action or inaction of Borrower.
- g. All legal matters and documentation to be executed in connection with the contemplated proposed Credit Accommodation shall be satisfactory in form and substance to the Bank and counsel to the Bank.
- h. The Bank shall not be required to enter into the proposed Credit Accommodation until the completion of all due diligence inquiries, receipt of approvals from all requisite parties and the execution and receipt of all necessary documentation reasonably acceptable to the Bank and its counsel. Furthermore, certain assumptions are made for this proposal which, if altered, could affect the overall credit approval and or terms of the proposed Credit Accommodation.

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

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

**Appendix A: Amortization Schedule**

<b><u>Maturity Date</u></b>	<b><u>Amount</u></b>
10/1/2022	625,000
10/1/2023	1,850,000
10/1/2024	1,900,000
10/1/2025	1,945,000
10/1/2026	1,985,000
10/1/2027	2,040,000
10/1/2028	2,090,000
10/1/2029	2,140,000
10/1/2030	2,185,000
10/1/2031	2,240,000
	19,000,000

**EXHIBIT B**

Form of Loan Agreement



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**LOAN AGREEMENT**

**BETWEEN**

**ST. JOHNS COUNTY, FLORIDA**

**AND**

**TD BANK, N.A.**

**Dated as of February 18, 2022.**

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This **LOAN AGREEMENT** (the "Agreement") is made and entered into as of February 18, 2022, by and between **ST. JOHNS COUNTY, FLORIDA**, a political subdivision of the State of Florida, and its successors and assigns (the "County"); and **TD BANK, N.A.**, a national banking association and its successors and assigns (the "Noteholder");

**WITNESSETH:**

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

**WHEREAS**, the County has determined that it is in its best interest to finance a portion of the costs of the Project (as defined herein) in order to improve and maintain the health, safety and welfare of the residents of the County; and

**WHEREAS**, pursuant to a competitive solicitation process, the County's Financial Advisor (as defined herein) solicited proposals from various financial institutions to provide a term loan to finance a portion of the costs of the Project;

**WHEREAS**, the Noteholder provided the most beneficial proposal to the County to provide such term loan and is now willing to make the term loan to the County, and the County is willing to incur such term loan, pursuant to the terms and provisions of this Agreement in a principal amount of \$7,635,000 to finance a portion of the costs of the Project and pay costs relating to the issuance of the hereinafter described Note.

**NOW, THEREFORE, THIS AGREEMENT WITNESSETH:**

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

**ARTICLE I**

**DEFINITION OF TERMS**

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

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

**"Agreement"** shall mean this Loan Agreement, dated as of February 18, 2022, between the County and the Noteholder and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

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

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

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

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

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

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

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

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

considered "Debt" until the County has not used any Non-Ad Valorem Revenues to satisfy any portion of such obligation for two consecutive Fiscal Years.

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

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

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

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

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

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

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

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

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

**"Interest Rate"** shall mean a fixed interest rate equal to 2.24% per annum. The Interest Rate for the Note is subject to adjustment pursuant to Section 5.02 hereof.

**"Maturity Date"** shall mean October 1, 2031.

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

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

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

**"Note"** shall mean the St. Johns County, Florida Taxable Special Obligation Revenue Note, Series 2022, as more particularly described in Section 3.01 hereof.

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

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

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

**"Project"** shall mean the dune and berm beach restoration projects consisting of the restoring of the dune and berm system along South Ponte Vedra Beach, as more particularly described in the plans and specifications on file with the County, as the same may be amended and supplemented from time to time.

**"Project Fund"** shall mean the St. Johns County, Florida Taxable Special Obligation Revenue Note, Series 2022 Project Fund established under Section 2.06 hereof.

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

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

**"Resolution"** shall mean Resolution No. 2022-\_\_\_\_ adopted by the Board on February 15, 2022, which, among other things, authorized the execution and delivery of this Agreement and the issuance of the Note.

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

"State" shall mean the State of Florida.

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

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

[Remainder of this page intentionally left blank]



## ARTICLE II

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

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

(a) The County is a political subdivision of the State. Pursuant to the Resolution, the County has duly authorized the execution and delivery of this Agreement, the performance by the County of all of its obligations hereunder, and the issuance of the Note in the aggregate principal amount of \$7,635,000.

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

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

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

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

**SECTION 2.02. GENERAL COVENANT OF THE NOTEHOLDER.**

Pursuant to the terms and provisions of this Agreement, the Noteholder agrees to provide a term loan to the County as evidenced hereby and by the Note for the purpose of financing costs of a portion of the Project and paying costs relating to the issuance of the Note.

**SECTION 2.03. NOTE NOT TO BE INDEBTEDNESS OF COUNTY.**

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

**SECTION 2.04. COVENANT TO BUDGET AND APPROPRIATE; PAYMENT OF THE NOTE.**

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

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

purposes affecting the health, safety and welfare of the inhabitants of the County or which are legally mandated by applicable law.

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

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

**SECTION 2.06. CREATION OF PROJECT FUND.** There is hereby created the "St. Johns County, Florida Taxable Special Obligation Revenue Note, Series 2022 Project Fund" which shall be used to pay costs of that portion of the Project to be funded

with proceeds of the Note. Moneys in the Project Fund shall be held in trust by the County and shall be subject to a lien and charge in favor of the Noteholder and for the further security of such Noteholder.

There shall be paid into the Project Fund the amounts required to be so paid by the provisions of this Agreement, and there may be paid into the Project Fund, at the option of the County, any moneys received for or in connection with the Project by the County from any other source.

Any moneys received by the County from the State or from the United States of America or any agencies thereof for the purpose of financing or reimbursing part of the costs of the Project may be deposited into the Project Fund pending their application to pay costs of the Project or prepay the Note as provided herein.

Notwithstanding any of the other provisions of this Section 2.06, to the extent that other moneys are not available therefor, amounts in the Project Fund shall be applied to the payment of principal and interest on the Note.

Promptly after the date of the completion of the Project, and after paying or making provision for the payment of all unpaid items, the County shall apply any balance of moneys remaining in the Project Fund to prepay the Note or scheduled interest on the Note or for any other lawful purpose.

[Remainder of this page intentionally left blank]

## **ARTICLE III**

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

**SECTION 3.01. DESCRIPTION OF THE NOTE.** (a) The County hereby authorizes the issuance and delivery of the Note to the Noteholder which Note shall be in an aggregate principal amount equal to SEVEN MILLION SIX HUNDRED THIRTY-FIVE THOUSAND AND 00/100 DOLLARS (\$7,635,000) and shall be designated as the "St. Johns County, Florida Taxable Special Obligation Revenue Note, Series 2022." The text of the Note shall be substantially in the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable to reflect the particular terms of the Note. The provisions of the form of the Note are hereby incorporated in this Agreement.

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

(c) The Note shall bear interest from its date of issuance at the Interest Rate (calculated on the basis of twelve 30-day calendar months and a 360 day year) as the same may be adjusted pursuant to Section 5.02 hereof. Interest on the Note shall be payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2022 (each an "Interest Payment Date") so long as any amount under the Note remains outstanding. Principal of the Note shall be payable annually on October 1 of each year, commencing October 1, 2022 (each a "Principal Payment Date"), through and including the Maturity Date. The principal payments shall be set forth in Appendix I attached to the Note.

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

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

(e) Except as otherwise provided herein, the Noteholder shall pay for all of its costs relating to regular servicing the term loan provided hereby. The County shall pay the fees of the Noteholder's legal counsel in the amount of \$9,500.

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

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

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

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

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

[Remainder of this page intentionally left blank]

## ARTICLE IV

### CONDITIONS FOR ISSUANCE OF THE NOTE

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

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

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

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

[Remainder of this page intentionally left blank]



## ARTICLE V

### EVENTS OF DEFAULT; REMEDIES

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

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

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

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

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

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

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

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

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

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

[Remainder of this page intentionally left blank]

## ARTICLE VI

### MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO TAXABLE LOAN AGREEMENT]

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

**ST. JOHNS COUNTY, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Chairman, Board of County Commissioners

ATTESTED:

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

**TD BANK, N.A.**

By: \_\_\_\_\_  
Director

**EXHIBIT A**

\$7,635,000.00

**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
ST. JOHNS COUNTY, FLORIDA  
TAXABLE SPECIAL OBLIGATION REVENUE NOTE  
SERIES 2022**

Interest Rate	Date of Issuance	Final Maturity Date
2.24% (subject to adjustment)	February 18, 2022	October 1, 2031

**KNOW ALL MEN BY THESE PRESENTS**, that St. Johns County, Florida (the "County"), for value received, hereby promises to pay to the order of TD Bank, N.A., or its successors or assigns (the "Noteholder"), the principal sum of SEVEN MILLION SIX HUNDRED THIRTY-FIVE THOUSAND AND 00/100 DOLLARS (\$7,635,000) pursuant to that certain Loan Agreement by and between the Noteholder and the County, dated as of February 18, 2022 (the "Agreement"), and to pay interest on the outstanding principal amount hereof from the Date of Issuance set forth above, or from the most recent date to which interest has been paid, at the Interest Rate per annum (calculated on the basis of twelve 30-day calendar months and a 360 day year) identified above (subject to adjustment as provided in the Agreement) on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing on April 1, 2022, so long as any amount under this Note remains outstanding. Principal of this Note shall be payable on October 1 of each year, commencing on October 1, 2022, through and including the Final Maturity Date identified above. The principal payment schedule for this Note is set forth on Appendix I attached hereto. The principal and interest on this Note is payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. If any payment date is not a Business Day (as defined in the Agreement), the corresponding payment shall be due on the next succeeding Business Day provided that interest shall continue to accrue on principal until actually paid to the Noteholder and any additional interest shall be paid on the actual payment date. No presentment shall be required for any payment on this Note except upon the final payment of the principal of the Note.

This Note is issued under the authority of and in full compliance with the Florida Constitution, Chapter 125, Florida Statutes, and other applicable provisions of law, and pursuant to Resolution No. 2022-\_\_\_\_ duly adopted by the Board of County

Commissioners of the County on February 15, 2022 (the "Resolution"), as such Resolution may be amended and supplemented from time to time, and is subject to all terms and conditions of the Resolution and the Agreement. Any capitalized term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Agreement. This Note is being issued to finance a portion of the costs of the Project as described in the Resolution and the Agreement.

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

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

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

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

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

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

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

**ST. JOHNS COUNTY, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Chairman, Board of County Commissioners

ATTESTED:

By: \_\_\_\_\_  
Clerk of the Board of County  
Commissioners



**Principal Payment Schedule for the**  
**ST. JOHNS COUNTY, FLORIDA**  
**TAXABLE SPECIAL OBLIGATION REVENUE NOTE,**  
**SERIES 2022**

<u>Date</u>	<u>Principal</u>
10/01/22	\$275,000
10/01/23	745,000
10/01/24	765,000
10/01/25	780,000
10/01/26	800,000
10/01/27	815,000
10/01/28	835,000
10/01/29	855,000
10/01/30	875,000
10/01/31*	890,000

\*Final maturity.

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**SOURCES AND USES OF FUNDS**

**St. Johns County, Florida  
Special Obligation Revenue Bond, Series 2022A**

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**Final Numbers  
Prepayable at Anytime Without Penalty  
Lender: TD Bank**

**Sources:**

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<b>Bond Proceeds:</b>	
Par Amount	7,635,000.00
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	7,635,000.00

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**Uses:**

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<b>Project Fund Deposits:</b>	
Beach Renourishment Project	7,583,871.00
<b>Delivery Date Expenses:</b>	
Cost of Issuance	51,129.00
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	7,635,000.00

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## BOND SUMMARY STATISTICS

**St. Johns County, Florida  
Special Obligation Revenue Bond, Series 2022A**

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**Final Numbers  
Prepayable at Anytime Without Penalty  
Lender: TD Bank**

Dated Date	02/18/2022
Delivery Date	02/18/2022
Last Maturity	10/01/2031
Arbitrage Yield	2.240219%
True Interest Cost (TIC)	2.240219%
Net Interest Cost (NIC)	2.240000%
All-In TIC	2.370905%
Average Coupon	2.240000%
Average Life (years)	5.583
Duration of Issue (years)	5.206
Par Amount	7,635,000.00
Bond Proceeds	7,635,000.00
Total Interest	954,787.87
Net Interest	954,787.87
Total Debt Service	8,589,787.87
Maximum Annual Debt Service	914,536.00
Average Annual Debt Service	892,960.91
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	7,635,000.00	100.000	2.240%	5.583	3,899.70
	7,635,000.00			5.583	3,899.70

	TIC	All-In TIC	Arbitrage Yield
Par Value	7,635,000.00	7,635,000.00	7,635,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(51,129.00)	
- Other Amounts			
Target Value	7,635,000.00	7,583,871.00	7,635,000.00
Target Date	02/18/2022	02/18/2022	02/18/2022
Yield	2.240219%	2.370905%	2.240219%

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**BOND DEBT SERVICE**

St. Johns County, Florida  
Special Obligation Revenue Bond, Series 2022A.

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Final Numbers  
Prepayable at Anytime Without Penalty  
Lender: TD Bank

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2022			20,427.87	20,427.87	
10/01/2022	275,000	2.240%	85,512.00	360,512.00	380,939.87
04/01/2023			82,432.00	82,432.00	
10/01/2023	745,000	2.240%	82,432.00	827,432.00	909,864.00
04/01/2024			74,088.00	74,088.00	
10/01/2024	765,000	2.240%	74,088.00	839,088.00	913,176.00
04/01/2025			65,520.00	65,520.00	
10/01/2025	780,000	2.240%	65,520.00	845,520.00	911,040.00
04/01/2026			56,784.00	56,784.00	
10/01/2026	800,000	2.240%	56,784.00	856,784.00	913,568.00
04/01/2027			47,824.00	47,824.00	
10/01/2027	815,000	2.240%	47,824.00	862,824.00	910,648.00
04/01/2028			38,696.00	38,696.00	
10/01/2028	835,000	2.240%	38,696.00	873,696.00	912,392.00
04/01/2029			29,344.00	29,344.00	
10/01/2029	855,000	2.240%	29,344.00	884,344.00	913,688.00
04/01/2030			19,768.00	19,768.00	
10/01/2030	875,000	2.240%	19,768.00	894,768.00	914,536.00
04/01/2031			9,968.00	9,968.00	
10/01/2031	890,000	2.240%	9,968.00	899,968.00	909,936.00
	7,635,000		954,787.87	8,589,787.87	8,589,787.87

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**COST OF ISSUANCE**

**St. Johns County, Florida  
Special Obligation Revenue Bond, Series 2022A**

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**Final Numbers  
Prepayable at Anytime Without Penalty  
Lender: TD Bank**

<b>Cost of Issuance</b>	<b>\$/1000</b>	<b>Amount</b>
Bond Counsel Fee	2.94695	22,500.00
Financial Advisor Fee	2.29208	17,500.00
Bank Counsel Fee	1.24427	9,500.00
Expenses	0.21336	1,629.00
	6.69666	51,129.00

## FORM 8038 STATISTICS

**St. Johns County, Florida  
Special Obligation Revenue Bond, Series 2022A**

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**Final Numbers  
Prepayable at Anytime Without Penalty  
Lender: TD Bank**

Dated Date           02/18/2022  
Delivery Date       02/18/2022

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	10/01/2022	275,000.00	2.240%	100.000	275,000.00	275,000.00
	10/01/2023	745,000.00	2.240%	100.000	745,000.00	745,000.00
	10/01/2024	765,000.00	2.240%	100.000	765,000.00	765,000.00
	10/01/2025	780,000.00	2.240%	100.000	780,000.00	780,000.00
	10/01/2026	800,000.00	2.240%	100.000	800,000.00	800,000.00
	10/01/2027	815,000.00	2.240%	100.000	815,000.00	815,000.00
	10/01/2028	835,000.00	2.240%	100.000	835,000.00	835,000.00
	10/01/2029	855,000.00	2.240%	100.000	855,000.00	855,000.00
	10/01/2030	875,000.00	2.240%	100.000	875,000.00	875,000.00
	10/01/2031	890,000.00	2.240%	100.000	890,000.00	890,000.00
		7,635,000.00			7,635,000.00	7,635,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	10/01/2031	2.240%	890,000.00	890,000.00		
Entire Issue			7,635,000.00	7,635,000.00	5.5828	2.2402%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	51,129.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00