RESOLUTION NO. 18-10-107

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, PROVIDING FOR THE BORROWING IN THE FORM OF A LINE OF CREDIT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $7,500,000 FROM CENTENNIAL BANK TO FINANCE THE PROJECT; PROVIDING FOR THE ISSUANCE OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, GRANT PROCEEDS NOTE, SERIES 2018; PLEDGING THE PLEDGED REVENUES; PROVIDING FOR THE PAYMENT OF THE SERIES 2018 NOTE AND THE EXECUTION AND RELATED FINANCING DOCUMENTS IN CONNECTION THEREWITH; AUTHORIZING FURTHER OFFICIAL ACTION IN CONNECTION WITH THE DELIVERY OF THE SERIES 2018 NOTE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Islamorada, Village of Islands (the “Village”) issued a Request for Proposals (the “RFP”) in order to identify a banking institution that can best provide the Village with a bank qualified, tax-exempt Line of Credit; and

WHEREAS, the Line of Credit will be used to fund Hurricane Irma-related response and recovery expenses, including the cost of removing Hurricane Irma-generated debris from the Village’s canals; and

WHEREAS, the Village received a proposal from Centennial Bank (the “Lender”) and the Lender has agreed to make Line of Credit available to the Village; and

WHEREAS, pursuant to the Resolution, the Village has determined that it is in the best interest of the health, safety and welfare of the Village and the inhabitants thereof that the Village pledge the Pledged Revenues to secure the obligations of the Village to repay the principal of and interest on the Series 2018 Note when due; and

WHEREAS, the obligation of the Village to repay principal of and interest on the Series 2018 Note will not constitute a general obligation or indebtedness of the Village as a “bond” within the meaning of any provision of the Constitution or laws of the State, but shall be and is hereby declared to be a special, limited obligation of the Village, secured solely by the Pledged Revenues and, to the extent any deficiency exists, from Non-Ad Valorem Revenues budgeted and appropriated by the Village; and

WHEREAS, the Village is not authorized to levy taxes on any property of or in the Village to pay the principal of or interest on the Series 2018 Note or to make any other payments provided for herein; and
WHEREAS, the Village has previously determined that it is necessary for the health, safety and welfare of the Village and in the best interest of its inhabitants to perform the Project (as hereinafter defined) and that issuance of the Series 2018 Note (as hereinafter defined) satisfies an essential public purpose.

NOW THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA AS FOLLOWS:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act").

Section 2. Definitions. The following terms shall have the following meanings when used in this Resolution unless the context clearly requires otherwise. Words importing singular numbers shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Line of Credit Agreement.


"Clerk" means the Clerk of the Village or, in the Clerk's absence, any Deputy Clerk.

"Commitment" means the Commitment dated September 25, 2018, for purchase of the Series 2018 Note and the provision of the line of credit, submitted to the Village by the Lender and accepted by the Village with such changes as agreed to by the Village and the Lender.

"Council" means the Village Council of the Village, as the governing body of the Village.


"Finance Director" means the Director of Finance of the Village.

"Financial Advisor" means RBC Capital Markets, LLC.

"Lender" means Centennial Bank, a state banking corporation, and its successors and/or assigns.

"Line of Credit Agreement" means the agreement between the Lender and the Village setting forth the terms and details of the line of credit, in substantially the form attached hereto as Exhibit A with such modifications or changes thereto as may be necessary or desirable, in the opinion of the Village Attorney and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Village any additional rights or privileges not inconsistent with the terms of the Commitment, such approval of the modifications or changes to be presumed by the execution and delivery thereof by the Village to the Lender.

"Loan" means the line of credit in the aggregate principal amount not to exceed $7,500,000 from the Lender to the Village pursuant and in accordance with the Line of Credit Agreement.
“Mayor” means the Mayor of the Village, or in the Mayor’s absence, the Vice Mayor.

“Non-Ad Valorem Revenues” means all legally available non-ad valorem revenues of the Village, but shall not include any ad valorem taxes.

“Pledged Revenues” shall mean the reimbursement proceeds received by the Village from any federal or state governmental agencies related to Hurricane Irma, including but not limited to, the Federal Emergency Management Agency, the Florida Division of Emergency Management, the United States Department of Agriculture and the State of Florida.

“Project” means the clean-up and reconstructive efforts related to the aftermath of Hurricane Irma, including but not limited to, debris removal from the Village’s canals, construction of a boardwalk, replacement of a PVC membrane for the Founders Park Amphitheater and other capital improvements.

“Resolution” means, collectively, this resolution and all resolutions amendatory hereof and supplemental hereto.

“Series 2018 Note” means the Islamorada, Village of Islands, Florida, Grant Proceeds Note, Series 2018, authorized herein, in substantially the form attached to the Line of Credit Agreement as Exhibit A, with such modifications or changes thereto as may be necessary or desirable, in the opinion of the Village Attorney, and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Village any additional rights or privileges not inconsistent with the terms of the Commitment, such approval of the modifications or changes to be presumed by the execution and delivery thereof by the Village to the Lender.

“Village” means Islamorada, Village of Islands, Florida, a municipal corporation of the State of Florida.

“Village Manager” means the Village Manager of the Village, or his designee.

Section 3. Findings. It is hereby found, declared, and determined by the Council:

(A) The Village has determined that it is necessary and in the best interests of the health, safety and welfare of the Village and its inhabitants that the Village finance the costs and expenses associated with the Project. Issuance of the Series 2018 Note satisfies a public purpose.

(B) The Pledged Revenues are not currently pledged to any obligation of the Village.

(C) The Series 2018 Note will be payable from Pledged Revenues and to the extent any deficiency exists in the payment of debt service on the Series 2018 Note, from Non-Ad Valorem Revenues budgeted and appropriated for such purpose. The Pledged Revenues and the Non-Ad Valorem Revenues budgeted and appropriated for such purpose are expected to be sufficient to pay the Series 2018 Note as the same becomes due.

(D) The Village Council determined that the Lender’s Commitment contained terms favorable to the Village.
(E) Because of the characteristics of the Series 2018 Note, prevailing market conditions, and an ability to have an expeditious sale of the Series 2018 Note, it is in the best interest of the Village to sell the Series 2018 Note at a private negotiated sale to the Lender. The Village has received the Commitment from the Lender for the Loan, and, based upon the advice of the Financial Advisor, it is in the best interests of the Village that the Commitment be accepted. Prior to the issuance of the Series 2018 Note, the Village shall receive from the Lender, a Lender’s Certificate, the form of which is attached hereto as Exhibit B and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

(F) The obligation of the Village to repay the Series 2018 Note in accordance with its terms and to make the payments required under the Line of Credit Agreement is hereby declared to be and shall be a special, limited obligation of the Village, secured solely by the Pledged Revenues. The obligation of the Village to repay the Series 2018 Note in accordance with its terms and to make any other payments, if any, required under the Series 2018 Note or the Line of Credit Agreement shall not be or constitute a general obligation or indebtedness of the Village and neither the Series 2018 Note nor the Line of Credit Agreement shall be or constitute a “bond” of the Village within the meaning of Article VII, Section 12, Florida Constitution (1968). Neither the Lender nor any successor owner of the Series 2018 Note shall be entitled to compel the payment of the principal of or interest on the Series 2018 Note or the making of any payments required under the Series 2018 Note or the Line of Credit Agreement from any moneys of the Village other than the Pledged Revenues and Non-Ad Valorem Revenues, as provided herein and in the Line of Credit Agreement.

Section 4. Approval of Commitment. The Village accepts the Lender’s Commitment.

Section 5. Authorization of Series 2018 Note and Project. Subject and pursuant to the provisions hereof and in accordance with the provisions of the Line of Credit Agreement, the issuance by the Village of its Series 2018 Note, in an aggregate principal amount of not to exceed Seven Million Five Hundred Thousand Dollars ($7,500,000) at any one time, to be dated, to bear interest, to be payable, to mature, to be subject to redemption and to have such other characteristics as provided in the Series 2018 Note, the Line of Credit Agreement and the Commitment, and to be secured as provided in the Line of Credit Agreement is hereby authorized. The financing of the Project with proceeds from the Loan is hereby approved.

Section 6. Approval of Form of Line of Credit Agreement and Series 2018 Note. The Line of Credit Agreement and the Series 2018 Note, in substantially the form attached hereto as Exhibit A, are approved, and the Mayor and Clerk are authorized to execute and deliver the Line of Credit Agreement and the Series 2018 Note to the Lender, and to take such other actions as shall be necessary to consummate the Loan.

Section 7. Authorization of Other Action. The Mayor, the Clerk, the Village Manager, the Finance Director and the Village Attorney are each designated agents of the Village in connection with the execution and delivery of the Line of Credit Agreement and the Series 2018 Note and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Village which are necessary
or desirable in connection with the execution and delivery of the Line of Credit Agreement and the Series 2018 Note to the Lender, including, but not limited to, the making of modifications to the Line of Credit Agreement and the Series 2018 Note to conform the provisions thereof to the provisions of the Commitment.

**Section 8. Application of Proceeds of Loan.** The proceeds of the Loan shall be used to pay costs of the Project and pay related associated costs of issuance (including but not limited to legal and financial advisory fees and expenses).

**Section 9. Repeal of Inconsistent Provisions.** All resolutions or parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

**Section 10. Severability.** If any one or more of the covenants, agreements, or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all other provisions of the Resolution or of the Series 2018 Note or Line of Credit Agreement delivered hereunder.

**Section 11. Amendment.** This Resolution may not be amended or repealed except with the prior written consent of the Lender.

**Section 12. Effective Date.** This Resolution shall take effect immediately upon its adoption.

Motion to adopt by Councilman Jim Mooney, second by Councilwoman Cheryl Meads.

**FINAL VOTE AT ADOPTION**

**VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS**

Mayor Chris Sante YES
Vice Mayor Deb Gillis YES
Councilmember Mike Forster YES
Councilmember Cheryl Meads YES
Councilmember Jim Mooney YES

**PASSED AND ADOPTED THIS 18TH DAY OF OCTOBER, 2018.**

CHRI$ SANTE, MAYOR
ATTEST:

[Signature]
KELLY S. TOTH, VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE USE AND BENEFIT OF ISLAMORADA,
VILLAGE OF ISLANDS ONLY:

[Signature]
ROGET V. BRYAN, VILLAGE ATTORNEY
EXHIBIT A

FORM OF LINE OF CREDIT AGREEMENT
NOT TO EXCEED $7,500,000
ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA
GRANT PROCEEDS NOTE, SERIES 2018

OCTOBER 26, 2018

Bryant Miller Olive
SunTrust International Center
1 SE 3rd Avenue
Suite 2200
Miami, FL 33131
(305) 374-7349
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NOT TO EXCEED $7,500,000
ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA
GRANT PROCEEDS NOTE, SERIES 2018

October 26, 2018

CLOSING DOCUMENTS

1. Opinion of Bryant Miller Olive P.A., Bond Counsel
2. Opinion of Roget V. Bryan, Esq., Issuer’s Counsel
3. Tax Certificate
4. Line of Credit Agreement
5. Certificate of Delivery
6. Receipt for Note
7. Certificate as to Public Meetings and No Conflict of Interest
8. (a) Certificate of Issuer
     (b) Certificate of Finance Director
9. (a) Resolution No. 18-10-107 adopted on October 18, 2018, authorizing the Series 2018 Note
     (b) Interlocal Agreement with Monroe County, Florida providing grant proceeds
10. Disclosure Letter
11. Lender’s Certificate
12. Specimen Note
13. IRS Form 8038-G
14. Notice of Sale to Division of Bond Finance
15. Bond Finance Forms 2003 and 2004-B
16. Certificate re: Interest Rate
17. Anti-Dilution Test
18. Commitment Letter
19. Closing Memorandum

Distribution
(1) Islamorada, Village of Islands, Florida
(1) Roget V. Bryan, Esq.
(1) Bryant Miller Olive P.A.
(1) Centennial Bank
(1) RBC Capital Markets, LLC
(1) Bond, Schoeneck & King PLLC
October 26, 2018

Village Council of
Islamorada, Village of Islands, Florida
Islamorada, Florida

Centennial Bank
Islamorada, Florida

Not to Exceed $7,500,000
Islamorada, Village of Islands, Florida
Grant Proceeds Note, Series 2018

Ladies and Gentlemen:

We have acted as Bond Counsel to Islamorada, Village of Islands, Florida (the "Issuer") in connection with the issuance by the Issuer of its not to exceed $7,500,000 Islamorada, Village of Islands, Florida Grant Proceeds Note, Series 2018 (the "Series 2018 Note"), pursuant to and under the authority of the Constitution of the State of Florida, Chapter 166, Florida Statutes, and other applicable provisions of law and Resolution No. 18-10-107 duly adopted by the Issuer on October 18, 2018 (the "Resolution") and the Line of Credit Agreement dated October 26, 2018 between the Issuer and Centennial Bank (the "Line of Credit Agreement"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Resolution and the Line of Credit Agreement.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.
In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Roget V. Bryan, Esq., Issuer’s Attorney, as to the due creation and valid existence of the Issuer, the due adoption of the Resolution, the due execution and delivery of the Series 2018 Note and the Line of Credit Agreement and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the Series 2018 Note.

The Series 2018 Note is payable from the Pledged Revenues, which consist primarily of (i) the Grant Proceeds, (ii) the moneys on deposit in the funds and accounts created by the Line of Credit Agreement, and (iii) investment earnings on such moneys on deposit in the funds and accounts created by the Line of Credit Agreement and the Non-Ad Valorem Revenues, all as provided in the Resolution and the Line of Credit Agreement. To the extent that the Grant Proceeds are not sufficient, the Issuer has covenanted and agreed, subject to certain limitations, to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, amounts sufficient to pay the principal of and interest on the Series 2018 Note, all in accordance with the Resolution.

The Series 2018 Note does not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Series 2018 Note.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion, that, under existing laws:

1. The Resolution and the Line of Credit Agreement constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms.

2. The Series 2018 Note is a valid and binding limited obligation of the Issuer enforceable in accordance with its terms, payable solely from the Pledged Revenues and to the extent any deficiency exists, the Non-Ad Valorem Revenues, in the manner and to the extent provided in the Line of Credit Agreement.

3. The Line of Credit Agreement creates a valid lien upon the Pledged Revenues for the security of the Series 2018 Note, all in the manner and to the extent provided in the Line of Credit Agreement.
4. Interest on the Series 2018 Note (including, assuming no change in law as described in the next paragraph below, the interest on all Subsequent Advances subsequent to the date hereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Series 2018 Note (including, assuming no change in law as described in the next paragraph below, the interest on all Subsequent Advances subsequent to the date hereof) will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. The opinion set forth in the preceding sentences is subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Series 2018 Note in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Line of Credit Agreement to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2018 Note to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2018 Note.

We render this opinion in reliance upon federal tax law and interpretations thereof in effect on the date of the issuance of the Series 2018 Note. We note that pursuant to Internal Revenue Service Notice 2010-81, each Advance is a draw of principal on the Series 2018 Note and is therefore treated as a separate bond, issued on the date on which the Issuer receives the purchase price (the proceeds of such Advance). Accordingly, the treatment for federal income tax purposes of interest on such Advances of principal of the Series 2018 Note after the date hereof may be subject to changes in federal income tax law. We specifically express no opinion as to the impact of changes in federal income tax law on the exclusion from gross income of interest on Advances of principal of the Series 2018 Note after the date hereof and assume no duty to update this opinion or provide notice of changes in federal tax law or the impact thereof on the opinions rendered thereby.

It is to be understood that the rights of the owner of the Series 2018 Note and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.
For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of any offering material, if any, relating to the Series 2018 Note. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2018 Note. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the purchaser of the Series 2018 Note with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2018 Note or regarding the perfection or priority of the lien on the Pledged Revenues created by the Resolution. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2018 Note other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Addressing this opinion to a non-client does not create an attorney client relationship.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

(Bryant Miller Olive P.A.)
October 26, 2018

Village Council of the
Islamorada, Village of Islands, Florida
Islamorada, Florida

Centennial Bank
Islamorada, Florida

Bryant Miller Olive P.A.
Miami, Florida

Not to Exceed $7,500,000
Islamorada, Village of Islands, Florida
Grant Proceeds Note, Series 2018

Ladies and Gentlemen:

I am the Village Attorney for Islamorada, Village of Islands, Florida (the “Issuer”) and have acted as such in connection with the adoption by the Issuer of Resolution No. 18-10-107 on October 18, 2018 (the “Resolution”) authorizing the issuance of the Issuer’s not to exceed $7,500,000 Islamorada, Village of Islands, Florida Grant Proceeds Note, Series 2018 (the “Series 2018 Note”) and the Line of Credit Agreement dated October 26, 2018, between the Issuer and Centennial Bank (the “Line of Credit Agreement”). The Series 2018 Note is being issued for the purpose of financing the Project and to pay the costs of issuance of the Series 2018 Note. All terms not otherwise defined in this opinion shall have the meanings ascribed to them in the Resolution or the Line of Credit Agreement.

I have examined the Resolution and the Line of Credit Agreement and such other proofs and documents as I have deemed necessary to enable us to render the following opinion.

Based on the foregoing, I am of the opinion that:

1. The Issuer is a municipal corporation, duly organized and validly existing under the laws of the State of Florida with authority to execute and deliver the Series 2018 Note and the Line of Credit Agreement.
2. The Resolution has been duly adopted at a meeting of the Issuer duly called and held in accordance with law and at which a quorum was present and acting throughout, and the Resolution remains in full force and effect and has not been amended or modified in any respect or rescinded or repealed.

3. The Resolution, the Series 2018 Note and the Line of Credit Agreement have been duly authorized, executed and delivered and constitute binding and valid obligations of the Issuer that are enforceable in accordance with their terms, except to the extent that the enforceability and binding effect of any of the provisions of the Resolution or the Line of Credit Agreement or of any rights pursuant thereto, are subject to applicable bankruptcy, insolvency, reorganization, moratorium, or other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by application of general principles of equity (regardless of whether such enforceability is sought in a proceeding in equity or at law).

4. No provision of the Resolution or the Line of Credit Agreement results in or constitutes a default under any agreement, indenture or other instrument to which the Issuer is a party or by which it may be bound.

5. The Issuer's adoption of the Resolution or the deliverance of the Line of Credit Agreement is not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority or any condition contained in any ordinance or resolution required on the date of this opinion and not theretofore obtained, effected or met.

6. The execution and delivery of the Series 2018 Note and the Line of Credit Agreement and compliance with the provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect constitute on the part of the Issuer a breach of or default under any indenture, deed of trust, mortgage, agreement, or other instrument of which I have knowledge and to which the Issuer is a party, and do not conflict with, violate, or result in a breach of any existing law.

7. There is no action, suit or proceeding, at law or in equity before or by any court, or, to the best of our knowledge, any governmental investigation pending or threatened against the Issuer (a) seeking to restrain or enjoin the issuance or delivery of the Series 2018 Note or the Line of Credit Agreement or the application of the proceeds of the Series 2018 Note, or (b) challenging the validity of the Series 2018 Note or the Line of Credit Agreement or the transactions described thereby, or (c) challenging the collection of Pledged Revenues and the Non-Ad Valorem Revenues (as defined in the Line of Credit Agreement) or (d) challenging the existence or powers of the Issuer or the titles of its officers to their respective offices or (e) which, if determined adversely to the Issuer or its interests, would have a material adverse effect upon the consummation of the
transactions described in, or the validity of, the Series 2018 Note or the Line of Credit Agreement, or upon the financial condition, assets, properties or operations of the Issuer.

In rendering this opinion, I am acting as an expert only as to matters arising under Florida law.

Respectfully submitted,

Roget V. Bryan, Esq.
Village Attorney
In connection with the issuance by Islamorada, Village of Islands, Florida (the "Village") of its Not to Exceed $7,500,000 Grant Proceeds Note, Series 2018 (the "Series 2018 Note") and pursuant to Section 1.148-2(b)(2) of the Income Tax Regulations (the "Regulations"), the Village makes and enters into the following Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, as amended (the "Code").

The Village acknowledges that the opinion of Note Counsel regarding the exclusion of interest on the Series 2018 Note from gross income under Section 103(a) and Sections 141-150 of the Code is rendered in reliance upon the representations and statements of fact and expectations contained herein and assumes the Village’s continued compliance with the provisions of this Certificate.

Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the meanings as those set forth in the Resolution or in the Regulations.

1. The Series 2018 Note is being issued pursuant to and under the authority of the Constitution of the State of Florida, Chapter 166, Florida Statutes, and other applicable provisions of law and Resolution No. 18-10-107 duly adopted by the Village on October 18, 2018 (the "Resolution") and the Line of Credit Agreement dated October 26, 2018 (the “Line of Credit Agreement”) between the Issuer and Centennial Bank (the “Original Purchaser”) to provide funds to (a) finance a portion of the Village’s clean-up and reconstructive efforts related to the aftermath of Hurricane Irma, including but not limited to debris removal form the Village’s canals, construction of a boardwalk, replacement of a PVC membrane for the Founders Park Amphitheatre and other capital improvements (the “2018 Project”), and (b) pay costs of issuing the Series 2018 Note.

2. On the basis of the facts, estimates and circumstances in existence on the date hereof, I reasonably expect the following with respect to the Series 2018 Note and the use of the proceeds thereof:
(a) The Series 2018 Note is being issued as a draw-down loan as described in Section 1.150-1(c)(4)(i) of the Regulations, and the Village will draw $2,500,000.00 of proceeds under the Series 2018 Note on the date hereof. Total proceeds in the amount of $7,500,000.00 (the “Sale Proceeds”) are expected to be derived by the Village from the sale of the Series 2018 Note to the Original Purchaser and are expected to be needed and fully expended as follows:

(i) $42,500 of said proceeds will be used to pay costs of issuing the Series 2018 Note; and

(ii) $7,457,500 of said proceeds will be used to pay costs of the Series 2018 Project.

(b) The total Sale Proceeds to be received from the sale of the Series 2018 Note, together with interest earnings thereon, if any, do not exceed the total of the amounts necessary for the purposes described above.

(c) The Village does not expect to sell or otherwise dispose of any property comprising a part of the 2018 Project prior to the final maturity date of the Series 2018 Note, except such minor parts or portions thereof that may be disposed of due to normal wear, obsolescence or depreciation in the ordinary course of business.

3. The 2018 Project consists of (a) capital expenditures (the “Capital Portion”), and (b) extraordinary working capital expenditures (the “Working Capital Portion”). The components of the Working Capital Portion constitute extraordinary, nonrecurring items that are not customarily payable from current revenues of the Village. The Village does not maintain a reserve for such items (e.g., a self-insurance fund) and has not set aside other available amounts for such expenses.

4. Binding contracts or commitments obligating the expenditure of not less than 5 percent of the Sale Proceeds of the Series 2018 Note toward the cost of the 2018 Project will be entered into by the Village within 6 months from the date hereof. Work on the completion and construction of the 2018 Project and the allocation of the Sale Proceeds of the Series 2018 Note to the costs of the 2018 Project will proceed with due diligence. It is expected that the 2018 Project will be acquired and at least 85 percent of the Sale Proceeds of the Series 2018 Note will be allocated to 2018 Project expenditures within three years of the date hereof. It is reasonably expected that the Working Capital Portion of the 2018 Project will be completed and the Sale Proceeds of the Series 2018 Note will be allocated to Working Capital Portion expenditures within thirteen months of the date hereof.

5. The portion of the Series 2018 Note allocable to the Working Capital Portion will mature on November 1, 2019, which is not later than 13 months from the date of issuance of the Series 2018 Note.
6. Except for preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs, proceeds of the Series 2018 Note will not be used to reimburse the Village for 2018 Project costs paid prior to the date which is 60 days before October 18, 2018, the date that the Village initially evidenced its intent to ultimately finance such expenditures through the issuance of debt. Except for preliminary expenditures, 2018 Project costs paid prior to the date of issuance which are to be reimbursed from proceeds of the Series 2018 Note will be reimbursed not later than 18 months after the later of (a) the date the original expenditure was paid; or (b) the date that the portion of the 2018 Project to which the reimbursement relates was placed in service, but in no event later than three years after the date that the original expenditure was paid.

7. The Line of Credit Agreement provides that the Village will provide for the payment of debt service on each payment date on the Series 2018 Note. Additionally, within thirty (30) days of receipt of any Grant Proceeds, the Village reasonably expects to use such Grant Proceeds to repay the principal amount of the Series 2018 Note. There are no funds or accounts established pursuant to the Line of Credit Agreement, Resolution or otherwise which are reasonably expected to be used to pay debt service on the Series 2018 Note, or which are pledged as collateral for the Series 2018 Note (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the Original Purchaser that amounts therein will be available to pay debt service on the Series 2018 Note if the Village encounters financial difficulties.

8. In the event that amounts drawn under the Series 2018 Note are not immediately used to pay costs of the 2018 Project, the following represents the expectations of the Village with respect to the investment of such proceeds of the Series 2018 Note:

(a) Proceeds derived from the sale of the Series 2018 Note to pay costs of the Working Capital Portion may be invested at an unrestricted yield for a period not to exceed thirteen months from the date hereof. Proceeds derived from the sale of the Series 2018 Note to pay costs of the Capital Portion may be invested at an unrestricted yield for a period not to exceed three years from the date hereof.

(b) Investment earnings on obligations acquired with amounts described in subparagraph (a) above may be invested at an unrestricted yield for one year from the date of receipt.

(c) Amounts described in subparagraphs (a) and (b) that may not be invested at an unrestricted yield pursuant to such subparagraphs, may be invested at an unrestricted yield to the extent such amounts do not exceed $100,000.00 (the “Minor Portion”).

(d) Amounts described in subparagraph (c), not invested at an unrestricted...
yield pursuant to such subparagraph, shall be invested at a yield not in excess of the yield on the Series 2018 Note plus 1/8 of one percentage point or shall be invested in tax-exempt obligations under Section 103(a) of the Code the interest on which is not an item of preference within the meaning of Section 57(a)(5) of the Code.

(e) Amounts described in subparagraph (e) that may not be invested at an unrestricted yield pursuant to such subparagraph shall be invested at a yield not in excess of the yield of the Series 2018 Note or shall be invested in tax-exempt obligations under Section 103(a) of the Code the interest on which is not an item of preference within the meaning of Section 57(a)(5) of the Code.

To the extent that any amounts described in this Paragraph 8 are not permitted to be invested at an unrestricted yield, the Village may satisfy the applicable yield restriction by causing the appropriate amount of yield reduction payments to be made to the United States, but only to the extent permitted by Section 1.148-5(c) of the Regulations.

9. For purposes of this Certificate, "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The yield on obligations acquired with amounts described in Paragraph 8 and the yield of the Series 2018 Note shall be calculated using the same frequency interval of compounding interest. In the case of the Series 2018 Note, the purchase price is $7,500,000.00. The purchase price of the Series 2018 Note and the interest rate thereon were arrived at as a result of an arms length negotiation between the Village and the Original Purchaser. The Original Purchaser has represented to the Village in its certificate attached as Exhibit A hereto that it is acquiring the Series 2018 Note for its own account, and is not acting as a broker or other intermediary for the purpose of reselling the Series 2018 Note to other investors. Any investments acquired with amounts that may not be invested at an unrestricted yield pursuant to Paragraph 8 above shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market, shall be United States Treasury Obligations – State and Local Government Series or shall be tax-exempt obligations under Section 103(a) of the Code the interest on which is not an item of tax preference within the meaning of Section 57(a) of the Code. In accordance with such meaning of the term "yield," the yield on the Series 2018 Note will be determined for each Computation Period as set forth in Section 1.148-4(c) of the Regulations.

10. No portion of the proceeds of the Series 2018 Note will be used as a substitute for other moneys of the Village which were otherwise to be used to pay costs of the 2018 Project or which will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Series 2018 Note.

11. There are no other obligations of the Village that (i) are being sold at substantially the same time as the Series 2018 Note (within 15 days), (ii) are being sold pursuant
to a common plan of financing together with the Series 2018 Note, and (iii) will be paid out of substantially the same source of funds as the Series 2018 Note.

12. The Village has covenanted in the Line of Credit Agreement that so long as the Series 2018 Note remains outstanding, the moneys on deposit in any fund or account maintained in connection with the Series 2018 Note, will not be used in any manner that would cause the Series 2018 Note to be an "arbitrage bond" within the meaning of Section 148 of the Code or an obligation not described under Section 103(a) of the Code and the applicable regulations promulgated from time to time thereunder. Accordingly, the Village shall comply with the guidelines and instructions in the Arbitrage Letter of Instructions from Note Counsel, dated the date hereof, by which the Village shall, among other things, pay or cause to be paid to the United States an amount equal to the sum of (i) the excess of the aggregate amount earned from the investment of "Gross Proceeds" of the Series 2018 Note from the date of issue over the amount that would have been earned if such amounts had been invested at a yield equal to the yield of the Series 2018 Note, plus (ii) the income or earnings attributable to the excess amount described in (i). See Exhibit B attached hereto.

13. No action which overburdens the tax-exempt bond market (within the meaning of Section 1.148-10(a) of the Regulations) has been or is expected to be taken in connection with the Series 2018 Note. In particular, no portion of the Series 2018 Note has been issued earlier, or allowed to remain outstanding longer, than is otherwise reasonably necessary to accomplish the governmental purposes of the Series 2018 Note. Furthermore, each action taken or expected to be taken in connection with the Series 2018 Note would reasonably be taken if the interest on the Series 2018 Note were not excluded from gross income for federal income tax purposes (assuming that the hypothetical taxable interest rates would be the same as the actual tax-exempt rates on the Series 2018 Note).

14. Neither the Village nor any related person has entered or is expected to enter into any hedging transaction (such as an interest rate swap, cap or collar transaction) with respect to the Series 2018 Note.

15. The Village is not aware of any facts or circumstances that would cause it to question the accuracy of the representation made by the Original Purchaser in its certificate attached as Exhibit A hereto.

16. The Village will not take any action which would cause the Series 2018 Note to be a "private activity bond" within the meaning of Section 141 of the Code. The Village will not permit any person other than a state or local governmental unit or as a member of the general public (a "Nonexempt Person") to use, through sale, lease, management contract, output contract or similar agreement, portions of the 2018 Project which, in the aggregate exceed 10 percent of the 2018 Project (based upon the cost of such portions of the 2018 Project). The percentage limitation described in the preceding sentence shall be reduced to 5 percent if the
private use of the 2018 Project is not related to any governmental use or is disproportionate to governmental use, all as described in Section 141(b)(3) of the Code.

17. The Village acknowledges that in determining whether all or any portion of the 2018 Project is used, directly or indirectly, in the trade or business of a Nonexempt Person for purposes of Paragraph 16 above, use of any portion of the 2018 Project by a Nonexempt Person pursuant to a lease, management contract, service contract, output contract or other arrangement must be examined. The Village represents that all future management and service contracts that it may enter into with respect to the 2018 Project will comply with the provisions of Revenue Procedure 2017-13, or any subsequently promulgated revenue procedure or regulations of the Internal Revenue Service, unless the Village receives an opinion from Note Counsel that such contract will not adversely impact the exclusion of interest on the Series 2018 Note from gross income for purposes of federal income taxation.

18. The Village reasonably expects that the 2018 Project will be owned and operated throughout the term of the Series 2018 Note in a manner which complies with the requirements set forth in Paragraph 16 above. The Village will not change the ownership or use of all or any portion of the 2018 Project in a manner that fails to comply with Paragraph 16 above, unless it receives an opinion of Note Counsel that such change of ownership or use will not adversely affect the exclusion of interest on the Series 2018 Note from gross income for federal income tax purposes.

19. No portion of the proceeds of the Series 2018 Note will be used (directly or indirectly) to make or finance a loan to any person.

20. No portion of the proceeds of the Series 2018 Note will be used (directly or indirectly) to acquire any property which prior to its acquisition was used (or held for use) by a person other than a state or local governmental unit in connection with an output facility. For purposes of this Certificate, the term "output facility" means electric and gas generation, transmission, and related facilities (but not water facilities).

21. No portion of the proceeds of the Series 2018 Note will be used to finance output facilities (as that term is defined in Paragraph 20 above).

22. The payment of the principal of and interest on the Series 2018 Note is not and will not be guaranteed directly or indirectly by the federal government within the meaning of Section 149(b) of the Code.

23. This Certificate is, in part, to serve as a guideline in implementing the requirements of Sections 141 to 150 of the Code. If regulations, rulings, announcements and notices validly promulgated under the Code contain requirements which differ from those outlined here which must be satisfied for the Series 2018 Note to be tax-exempt or in order to avoid the imposition of penalties under Section 148 of the Code, pursuant to the covenants
contained in the Line of Credit Agreement, the Village is obligated to take such steps as are necessary to comply with such requirements. If under those pronouncements, compliance with any of the requirements of this Certificate is not necessary to maintain the exclusion of interest on the Series 2018 Note from gross income and alternative minimum taxable income (except to the extent of certain adjustments applicable to corporations) or to avoid the imposition of penalties on the Commission under Section 148 of the Code, the Village shall not be obligated to comply with that requirement. The Village has been advised to seek the advice of competent counsel with a nationally recognized expertise in matters affecting exclusion of interest on municipal bonds from gross income in fulfilling its obligations under the Code to take all steps as are necessary to maintain the tax-exempt status of the Series 2018 Note.

24. To the best of my knowledge, information and belief, the above expectations are reasonable.

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of October, 2018.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By: Chris Sante
Name: Chris Sante
Title: Mayor

By: Maria Bassett
Name: Maria Bassett
Title: Finance Director
EXHIBIT A

Not to Exceed $7,500,000
Islamorada, Village of Islands, Florida
Grant Proceeds Note, Series 2018

CERTIFICATE OF THE ORIGINAL PURCHASER

The undersigned, on behalf of Centennial Bank (the “Original Purchaser”), hereby certifies as set forth below with respect to the purchase of the above-captioned obligation (the “Series 2018 Note”).

1. **Purchase of the Series 2018 Note.** On the date of this certificate, the Original Purchaser is purchasing the Series 2018 Note for the amount not to exceed $7,500,000.00, which is equal to the principal amount drawn on the Series 2018 Note. The Original Purchaser is not acting as an Underwriter with respect to the Series 2018 Note. The Original Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Series 2018 Note (or any portion of the Series 2018 Note or any interest in the Series 2018 Note). The Original Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Series 2018 Note and the Original Purchaser has not agreed with the Village pursuant to a written agreement to sell the Series 2018 Note to persons other than the Original Purchaser or a related party to the Original Purchaser.

2. **Defined Terms.**

   (a) **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

   (b) **Underwriter** means (i) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Note to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2018 Note to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2018 Note to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Original Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Village with respect to certain of the Village’s representations set forth in the Tax Certificate and with respect to compliance by the Village.
with the federal income tax rules affecting the Series 2018 Note, and by Bryant Miller Olive P.A.,
in connection with rendering its opinion that the interest on the Series 2018 Note is excluded
from gross income for federal income tax purposes, the preparation of the Internal Revenue
Service Form 8038-G, and other federal income tax advice that it may give to the Village from
time to time relating to the Series 2018 Note.

CENTENNIAL BANK

By: __
Name: Jae
Title: Commercial Loan Officer

Dated: October 26, 2018

CENTENNIAL BANK

By: __
Name: Jack Thorley
Title: Vice President and
Commercial Loan Officer

Dated: October 26, 2018
EXHIBIT B

October 26, 2018

Mayor and Village Council
Islamorada, Village of Islands, Florida

Re: Not to Exceed $7,500,000 Islamorada, Village of Islands, Florida
Grant Proceeds Note, Series 2018

Ladies and Gentlemen:

This letter instructs you as to certain requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), with respect to the Not to Exceed $7,500,000 Islamorada, Village of Islands, Florida Grant Proceeds Note, Series 2018 (the “Series 2018 Note”). Capitalized terms used in this letter, not otherwise defined herein, shall have the same meanings as set forth in the Issuer’s Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, As Amended (the “Tax Certificate”) executed on the date hereof.

This letter is intended to provide you with general guidance regarding compliance with Section 148(f) of the Code. Because the requirements of the Code are subject to amplification and clarification, you should seek supplements to this letter from time to time to reflect any additional or different requirements of the Code. In particular, you should be aware that regulations implementing the rebate requirements of Section 148(f) (the “Regulations”) have been issued by the United States Treasury Department. These regulations will, by necessity, be subject to continuing interpretation and clarification through future rulings or other announcements of the United States Treasury Department. You should seek further advice of Note Counsel as to the effect of any such future interpretations before the computation and payment of any arbitrage rebate.

For the purposes of this Letter: (i) any instructions relating to a fund or account shall be deemed to apply only to the portion of such fund or account allocable to the Series 2018 Note; and (ii) any reference to “the date hereof” shall be deemed to mean October 26, 2018.

Section 1. Tax Covenants. Pursuant to the Resolution (as defined in the Tax Certificate), the Issuer has made certain covenants designed to assure that interest with respect to the Series 2018 Note is and shall remain excluded from gross income for federal income tax purposes. The Issuer has agreed, and by this Letter does hereby covenant, that it will not directly or indirectly use or permit the use of any proceeds of the Series 2018 Note or any other funds or take or omit
to take any action that would cause the Series 2018 Note to be an “arbitrage bond” within the meaning of Section 148 of the Code and that would cause interest on the Series 2018 Note to be included in gross income for federal income tax purposes under the provisions of the Code. You have further agreed by this letter to comply with all other requirements as shall be determined by Note Counsel (as hereinafter defined) to be necessary or appropriate to assure that interest on the Series 2018 Note will be excluded from gross income for federal income tax purposes. To that end, the Issuer will comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2018 Note. In the event that at any time the Issuer is of the opinion that for purposes of this Section 1 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Issuer, the Issuer shall take such action as may be necessary.

Section 2. Definitions. Unless the context otherwise requires, in addition to the use of the terms defined in the Tax Certificate, the following capitalized terms have the following meanings:

"Bond Year" shall mean the one year period that ends at the close of business on the day in the calendar year that is selected by the Issuer. The first and last bond years may be short periods.

"Bond Yield" shall mean that discount rate that, when used in computing the present value on the Delivery Date of all unconditionally payable payments of principal, interest, and retirement price paid and to be paid on the Series 2018 Note, produces an amount equal to the present value on the Delivery Date, using the same discount rate, of the aggregate Issue Price of the Series 2018 Note. Yield is computed under the Economic Accrual Method using any consistently applied compounding interval of not more than one year. Short first and last compounding intervals may be used. Other reasonable, standard financial conventions, such as the 30 days per month/360 days per year convention, may be used in computing yield but must be consistently applied. In accordance with such meaning of the term “yield,” the yield on the Series 2018 Note will be determined for each Computation Period as set forth in Section 1.148-4(c) of the Regulations.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

"Computation Credit Amount" means an amount, as of each Computation Credit Date, equal to the amount set forth in Section 1.148-3(d)(1)(iv) of the Regulations.

"Computation Credit Date" means the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Series 2018 Note that are subject to the rebate requirement of Section 148(f) of the Code, and the Final Computation Date.
“Computation Date” shall mean any date selected by the Issuer as a computation date pursuant to Section 1.148-3(e) of the Regulations, and the Final Computation Date.

“Delivery Date” shall mean October 26, 2018.

“Economic Accrual Method” shall mean the method of computing yield that is based on the compounding of interest at the end of each compounding period (also known as the constant interest method or the actuarial method).

“Final Computation Date” shall mean the date that the Series 2018 Note is discharged.

“Gross Proceeds” shall mean with respect to the Series 2018 Note, any proceeds of the Series 2018 Note and any funds (other than the proceeds of the Series 2018 Note) that are a part of a reserve or replacement fund for the issue, which amounts include amounts which are (A) actually or constructively received by the Issuer from the sale of the Series 2018 Note (other than amounts used to pay Accrued Interest on the Series 2018 Note as set forth in the Tax Certificate); (B) treated as transferred proceeds (as defined in Section 1.148-9(b) of the Regulations); (C) treated as Replacement Proceeds under Section 1.148-1(c) of the Regulations; (D) invested in a reasonably required reserve or replacement fund (as defined in Section 1.148-2(f) of the Regulations); (E) pledged by the Issuer as security for payment of debt service on the Series 2018 Note; (F) received with respect to obligations acquired with proceeds of the Series 2018 Note; (G) used to pay debt service on the Series 2018 Note; and (H) otherwise received as a result of investing any proceeds of the Series 2018 Note. The determination of whether an amount is included within this definition shall be made without regard to whether the amount is credited to any fund or account established under the Resolution or (except in the case of an amount described in (E) above) whether the amount is subject to the pledge of such instrument.

“Guaranteed Investment Contract” means any Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

“Installment Payment Date” shall mean a Computation Date that is not later than 5 years after the Delivery Date and subsequent Computation Dates which occur no later than 5 years after the immediately preceding Installment Payment Date.

“Investment Property” shall mean any security or obligation, any annuity contract or other investment-type property within the meaning of Section 148(b)(2) of the Code. The term Investment Property shall not include any obligation the interest on which is excluded from gross income (other than a Specified Private Activity Bond within the meaning of Section 57(a)(5)(C) of the Code) and shall not include an obligation that is a one-day certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series Program described in 31 CFR, part 344.
"Issue Price" shall mean $7,500,000.00 with respect to the Series 2018 Note.

"Issue Yield" shall mean the Bond Yield unless the Series 2018 Note is described in Section 1.148-4(b)(3) or (4) of the Regulations, in which case, the Issue Yield shall be the Bond Yield as recomputed in accordance with such provisions of the Regulations.

"Nonpurpose Investment" shall mean any Investment Property in which Gross Proceeds are invested, other than any Purpose Investment as defined in Section 1.148-1(b) of the Regulations.

"Nonpurpose Payment" shall, with respect to a Nonpurpose Investment allocated to the Series 2018 Note, include the following: (1) the amount actually or constructively paid to acquire the Nonpurpose Investment; (2) the Value of an investment not acquired with Gross Proceeds on the date such investment is allocated to the Series 2018 Note, and (3) any yield reduction payment to the United States Government made pursuant to Section 1.148-5(c) of the Regulations. In addition, the Computation Credit Amount shall be treated as a Nonpurpose Payment with respect to the Series 2018 Note on each Computation Credit Date.

"Nonpurpose Receipt" shall mean any receipt or payment with respect to a Nonpurpose Investment allocated to the Series 2018 Note. For this purpose the term "receipt" means any amount actually or constructively received with respect to the investment. In the event a Nonpurpose Investment ceases to be allocated to the Series 2018 Note other than by reason of a sale or retirement, such Nonpurpose Investment shall be treated as if sold on the date of such cessation for its Value. In addition, the Value of each Nonpurpose Investment at the close of business on each Computation Date shall be taken into account as a Nonpurpose Receipt as of such date, and each refund of Rebatable Arbitrage pursuant to Section 1.148-3(i) of the Regulations shall be treated as a Nonpurpose Receipt.

"Note Counsel" shall mean Bryant Miller Olive P.A., or other nationally recognized bond counsel.

"Rebatable Arbitrage" shall mean as of any Computation Date the excess of the future value of all Nonpurpose Receipts with respect to the Series 2018 Note over the future value of all Nonpurpose Payments with respect to the Series 2018 Note. The future value of a Nonpurpose Payment or a Nonpurpose Receipt as of any Computation Date is determined using the Economic Accrual Method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Issue Yield, using the same compounding interval and financial conventions used in computing that yield.

"Retirement Price" shall mean, with respect to a bond, the amount paid in connection with the retirement or redemption of the bond.
“Value” means value as determined under Section 1.148-5(d) of the Regulations for investments.

Section 3. Rebate Requirement.

(a) Pursuant to this Letter there shall be established a fund separate from any other fund designated the Rebate Fund (the “Rebate Fund”). The Issuer shall administer or cause to be administered the Rebate Fund and invest any amounts held therein in Nonpurpose Investments. Moneys shall not be transferred from the Rebate Fund except as provided in this Section 3.

(b) Unless one or more of the Spending Exceptions to Rebate described in Appendix I to this letter is applicable to all or a portion of the Gross Proceeds of the Series 2018 Note, the Issuer specifically covenants that it will pay or cause to be paid to the United States Government the following amounts:

(1) No later than 60 days after each Installment Payment Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Series 2018 Note, equals at least 90 percent of the Rebatable Arbitrage calculated as of each such Installment Payment Date; and

(2) No later than 60 days after the Final Computation Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Series 2018 Note, equals 100 percent of the Rebatable Arbitrage as of the Final Computation Date.

(c) Any payment of Rebatable Arbitrage made within the 60-day period described in Section 3(b)(1) and (2) above may be treated as paid on the Installment Payment Date or Final computation date to which it relates.

(d) On or before 55 days following each Installment Payment Date and the Final Computation Date, the Issuer shall determine the amount of Rebatable Arbitrage to be paid to the United States Government as required by Section 3(b) of this Letter. Upon making this determination, the Issuer shall take the following actions:

(1) If the amount of Rebatable Arbitrage is calculated to be positive, deposit the required amount of Rebatable Arbitrage to the Rebate Fund;

(2) If the amount of Rebatable Arbitrage is calculated to be negative and money is being held in the Rebate Fund, transfer from the Rebate Fund the amount on deposit in such fund; and
(3) On or before 60 days following the Installment Payment Date or Final Computation Date, pay the amount described in Section 3(b) of this Letter to the United States Government at the Internal Revenue Service Center, Ogden, Utah 84201. Payment shall be accompanied by Form 8038-T. A rebate payment is paid when it is filed with the Internal Revenue Service at the above location.

(e) The Issuer shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the money related to the Series 2018 Note, including money derived from, pledged to, or to be used to make payments on the Series 2018 Note. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Issuer is to be allocated and shall set forth, in the case of each investment security, (a) its purchase price; (b) nominal rate of interest; (c) the amount of accrued interest purchased (included in the purchase price); (d) the par or face amount; (e) maturity date; (f) the amount of original issue discount or premium (if any); (g) the type of Investment Property; (h) the frequency of periodic payments; (i) the period of compounding; (j) the yield to maturity; (k) date of disposition; (l) amount realized on disposition (including accrued interest); and (m) market price data sufficient to establish the fair market value of any Nonpurpose investment as of any Computation Date, and as of the date such Nonpurpose Investment becomes allocable to, or ceases to be allocable to, Gross Proceeds of the Series 2018 Note.

Section 4. Prohibited Investments and Dispositions.

(a) No Investment Property shall be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment Property. No Investment Property shall be sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment Property.

(b) For purposes of subsection 4(a), the fair market value of any Investment Property for which there is an established market shall be determined as provided in subsection 4(c). Except as otherwise provided in subsections 4(e) and (f), any market especially established to provide Investment Property to an issuer of governmental obligations shall not be treated as an established market.

(c) The fair market value of any Investment Property for which there is an established market is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value is generally determined on the date on which a contract to purchase or sell the Investment Property becomes binding (i.e., the trade date rather than the settlement date). If a United States Treasury obligation is acquired directly from or disposed of directly to the
United States Treasury, such acquisition or disposition shall be treated as establishing a market for the obligation and as establishing the fair market value of the obligation.

(d) Except to the extent provided in subsections (e) and (f), any Investment Property for which there is not an established market shall be rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(e) In the case of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, the purchase price of such a certificate of deposit is treated as its fair market value on its purchase date if the yield on the certificate of deposit is not less than (1) the yield on reasonably comparable direct obligations of the United States; and (2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if the Issuer complies with the competitive bidding procedures set forth in Section 1.148-5(d)(6)(iii) of the Regulations.

Section 5. Accounting for Gross Proceeds. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the Issuer must adopt a reasonable and consistently applied method of accounting for all Gross Proceeds.

Section 6. Administrative Costs of Investments.

(a) Except as otherwise provided in this Section, an allocation of Gross Proceeds of the Series 2018 Note to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

(b) In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect costs of the Issuer such as employee salaries and office expenses and costs associated with computing Rebateable Arbitrage are not Qualified Administrative Costs.
(c) Qualified Administrative Costs include all reasonable administrative costs, without regard to the limitation on indirect costs stated in subsection (b) above, incurred by:

(i) A publicly offered regulated investment company (as defined in Section 67(c)(2)(B) of the Code); and

(ii) A commingled fund in which the Issuer and any related parties do not own more than 10 percent of the beneficial interest in the fund.

(d) For a Guaranteed Investment Contract, a broker's commission paid on behalf of either the Issuer or the provider is not a Qualified Administrative Cost to the extent that the commission exceeds the amount set forth in Section 1.148-5(e)(iii) of the Regulations.

Section 7. Records; Note Counsel Opinion.

(a) The Issuer shall retain all records with respect to the calculations and instructions required by this Letter for at least 3 years after the date on which the last of the principal of and interest on the Series 2018 Note has been paid, whether upon maturity, redemption or acceleration thereof.

(b) Notwithstanding any provisions of this Letter, if the Issuer shall be provided an opinion of Note Counsel that any specified action required under this Letter is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Series 2018 Note, the Issuer may conclusively rely on such opinion in complying with the requirements of this Letter.
Section 8. **Survival of Defeasance.** Notwithstanding anything in this Letter to the contrary, the obligation of the Issuer to remit the Rebate Requirement to the United States Department of the Treasury and to comply with all other requirements contained in this Letter must survive the defeasance or payment of the Series 2018 Note.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

Received and acknowledged:

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By: Maria Bassett
Name: Maria Bassett
Its: Finance Director

Dated: October 26, 2018
Appendix I

Spending Exceptions to Rebate

(a) Generally. All, or certain discrete portions, of an issue are treated as meeting the Rebate Requirement of Section 148(f) of the Code if one or more of the spending exceptions set forth in this Appendix are satisfied. Use of the spending exceptions is not mandatory, except that where an issuer elects to apply the 1-1/2 percent penalty (as described below) an issuer must apply that penalty to the Construction Issue. An issuer may apply the Rebate Requirement to an issue that otherwise satisfies a spending exception. Special definitions relating to the spending exceptions are contained in Section (h) of this Appendix.

Where several obligations that otherwise constitute a single issue are used to finance two or more separate governmental purposes, the issue constitutes a "multipurpose issue" and the bonds, as well as their respective proceeds, allocated to each separate purpose may be treated as separate issues for purposes of the spending exceptions. In allocating an issue among its several separate governmental purposes, "common costs" are generally not treated as separate governmental purposes and must be allocated ratably among the discrete separate purposes unless some other allocation method more accurately reflects the extent to which any particular separate discrete purpose enjoys the economic benefit (or bears the economic burden) of the certain common costs (e.g., a newly funded reserve for a parity issue that is partially new money and partially a refunding for savings on prior bonds).

Separate purposes include refunding a separate prior issue, financing a separate Purpose Investment (e.g., a separate loan), financing a Construction Issue, and any clearly discrete governmental purpose reasonably expected to be financed by the issue. In addition, as a general rule, all integrated or functionally related capital projects qualifying for the same initial temporary period (e.g., 3 years) are treated as having a single governmental purpose. Finally, separate purposes may be combined and treated as a single purpose if the proceeds are eligible for the same initial temporary period (e.g., advance refundings of several separate prior issues could be combined, or several non-integrated and functionally unrelated capital projects such as airport runway improvements and a water distribution system).

The spending exceptions described in this Appendix are applied separately to each separate issue component of a multipurpose issue unless otherwise specifically noted.

(b) Six-Month Exception. An issue is treated as meeting the Rebate Requirement under this exception if (i) the gross proceeds of the issue are allocated to expenditures for the governmental purposes of the issue within the six-month period beginning on the issue date (the "six-month spending period") and (ii) the Rebate Requirement is met for amounts not required to be spent within the six-month spending period (excluding earnings on a bona fide debt service fund). For purposes of the six-month exception, "gross proceeds" means Gross Proceeds other than amounts (i) in a bona fide debt service fund, (ii) in a reasonably required
reserve or replacement fund, (iii) that, as of the issue date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period, (iv) that represent Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the issue and (v) that represent repayments of grants (as defined in Treasury Regulation Section 1.148-6(d)(4)) financed by the issue. In the case of an issue no bond of which is a private activity bond (other than a qualified 501(c)(3) bond) or a tax or revenue anticipation bond, the six-month spending period is extended for an additional six months for the portion of the proceeds of the issue which are not expended within the six-month spending period if such portion does not exceed the lesser of five percent of the Proceeds of the issue or $100,000.

(c) 18-Month Exception. An issue is treated as meeting the Rebate Requirement under this exception if all of the following requirements are satisfied:

(i) the gross proceeds are allocated to expenditures for a governmental purpose of the issue in accordance with the following schedule (the “18-month expenditure schedule”) measured from the issue date: (A) at least 15 percent within six months, (B) at least 60 percent within 12 months and (C) 100 percent within 18 months;

(ii) the Rebate Requirement is met for all amounts not required to be spent in accordance with the 18-month expenditure schedule (other than earnings on a bona fide debt service fund); and

(iii) all of the gross proceeds of the issue qualify for the initial temporary period under Treasury Regulation Section 1.148-2(e)(2).

For purposes of the 18-month exception, ”gross proceeds” means Gross Proceeds other than amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the issue date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the 18-month expenditure schedule, (iv) that represent Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the issue and (v) that represent repayments of grants (as defined in Treasury Regulation Section 1.148-6(d)(4)) financed by the issue. In addition, for purposes of determining compliance with the first two spending periods, the investment proceeds included in gross proceeds are based on an issuer’s reasonable expectations as of the issue date rather than the actual Investment Proceeds; for the third, final period, actual Investment Proceeds earned to date are used in place of the reasonably expected earnings. An issue does not fail to satisfy the spending requirement for the third spending period above as a result of a Reasonable Retainage if the Reasonable Retainage is allocated to expenditures within 30 months of the issue date. The 18-month exception does not apply to an issue any portion of which is treated as meeting the Rebate Requirement as a result of satisfying the two-year exception.

Appendix I-2
(d) Two-Year Exception. A Construction Issue is treated as meeting the Rebate Requirement for Available Construction Proceeds under this exception if those proceeds are allocated to expenditures for governmental purposes of the issue in accordance with the following schedule (the "two-year expenditure schedule"), measured from the issue date:

(i) at least 10 percent within six months;

(ii) at least 45 percent within one year;

(iii) at least 75 percent within 18 months; and

(iv) 100 percent within two years.

An issue does not fail to satisfy the spending requirement for the fourth spending period above as a result of unspent amounts for Reasonable Retainage if those amounts are allocated to expenditures within three years of the issue date.

(e) Expenditures for Governmental Purposes of the Issue. For purposes of the spending exceptions, expenditures for the governmental purposes of an issue include payments for interest, but not principal, on the issue and for principal or interest on another issue of obligations. The preceding sentence does not apply for purposes of the 18-month and two-year exceptions if those payments cause the issue to be a refunding issue.

(f) De Minimis Rule. Any failure to satisfy the final spending requirement of the 18-month exception or the two-year exception is disregarded if an issuer exercises due diligence to complete the project financed and the amount of the failure does not exceed the lesser of three percent of the issue price of the issue or $250,000.

(g) Elections Applicable to the Two-Year Exception. An issuer may make one or more of the following elections with respect to the two-year spending exception:

(1) Earnings on Reasonably Required Reserve or Replacement Fund. An issuer may elect on or before the issue date to exclude from Available Construction Proceeds the earnings on any reasonably required reserve or replacement fund. If the election is made, the Rebate Requirement applies to the excluded amounts from the issue date.

(2) Actual Facts. For the provisions relating to the two-year exception that apply based on an issuer's reasonable expectations, an issuer may elect on or before the issue date to apply all of those provisions based on actual facts. This election does not apply for purposes of determining whether an issue is a Construction Issue and if the 1-1/2 percent penalty election is made.

Appendix I-3
(3) Separate Issue. For purposes of the two-year exception, if any proceeds of any issue are to be used for Construction Expenditures, an issuer may elect on or before the issue date to treat the portion of the issue that is not a refunding issue as two, and only two, separate issues, if (i) one of the separate issues is a Construction Issue, (ii) an issuer reasonably expects, as of the issue date, that such Construction Issue will finance all of the Construction Expenditures to be financed by the issue and (iii) an issuer makes an election to apportion the issue in which it identifies the amount of the issue price of the issue allocable to the Construction Issue.

(4) Penalty in Lieu of Rebate. An issuer of a Construction Issue may irrevocably elect on or before the issue date to pay a penalty (the "1-1/2 percent penalty") to the United States in lieu of the obligation to pay the rebate amount on Available Construction Proceeds upon failure to satisfy the spending requirements of the two-year expenditure schedule. The 1-1/2 percent penalty is calculated separately for each spending period, including each semiannual period after the end of the fourth spending period, and is equal to 1.5 percent times the underexpended proceeds as of the end of the spending period. For each spending period, underexpended proceeds equal the amount of Available Construction Proceeds required to be spent by the end of the spending period, less the amount actually allocated to expenditures for the governmental purposes of the issue by that date. The 1-1/2 percent penalty must be paid to the United States no later than 90 days after the end of the spending period to which it relates. The 1-1/2 percent penalty continues to apply at the each of each spending period and each semiannual period thereafter until the earliest of the following: (i) the termination of the penalty under Treasury Regulation Section 1.148-7(1), (ii) the expenditure of all of the Available Construction Proceeds or (iii) the last stated final maturity date of bonds that are part of the issue and any bonds that refund those bonds. If an issue meets the exception for Reasonable Retainage except that all retainage is not spent within three years of the issue date, an issuer must pay the 1-1/2 percent penalty to the United States for any Reasonable Retainage that was not so spent as of the close of the three-year period and each later spending period.

(h) Special Definitions Relating to Spending Expenditures.

(1) Available Construction Proceeds shall mean, with respect to an issue, the amount equal to the sum of the issue price of the issue, earnings on such issue price, earnings on amounts in any reasonably required reserve or replacement fund not funded from the issue and earnings on all of the foregoing earnings, less the amount of such issue price in any reasonably required reserve or replacement fund and less the issuance costs financed by the issue. For purposes of this definition, earnings include earnings on any tax-exempt bond. For the first three spending periods of the two-year expenditure schedule described in Treasury Regulation Section 1.148-7(e), Available Construction Proceeds include the amount of future earnings that an issuer reasonably expected as of the issue date. For the fourth spending period described in Treasury Regulation Section 1.148-7(e), Available Construction Proceeds include the actual earnings received. Earnings on any reasonably required reserve or replacement fund
are Available Construction Proceeds only to the extent that those earnings accrue before the earlier of (i) the date construction is substantially completed or (ii) the date that is two years after the issue date. For this purpose, construction may be treated as substantially completed when an issuer abandons construction or when at least 90 percent of the total costs of the construction that an issuer reasonably expects as of such date will be financed with proceeds of the issue have been allocated to expenditures. If only a portion of the construction is abandoned, the date of substantial completion is the date the non-abandoned portion of the construction is substantially completed.

(2) Construction Expenditures shall mean capital expenditures (as defined in Treasury Regulation Section 1.150-1) that are allocable to the cost of Real Property or Constructed Personal Property. Construction Expenditures do not include expenditures for acquisitions of interest in land or other existing Real Property.

(3) Construction Issue shall mean any issue that is not a refunding issue if (i) an issuer reasonably expects, as of the issue date, that at least 75 percent of the Available Construction Proceeds of the issue will be allocated to Construction Expenditures for property owned by a governmental unit or a 501(c)(3) organization and (ii) any private activity bonds that are part of the issue are qualified 501(c)(3) bonds or private activity bonds issued to financed property to be owned by a governmental unit or a 501(c)(3) organization.

(4) Constructed Personal Property shall mean Tangible Personal Property or Specially Developed Computer Software if (i) a substantial portion of the property is completed more than six months after the earlier of the date construction or rehabilitation commenced and the date an issuer entered into an acquisition contract; (ii) based on the reasonable expectations of an issuer, if any, or representations of the person constructing the property, with the exercise of due diligence, completion of construction or rehabilitation (and delivery to an issuer) could not have occurred within that six-month period; and (iii) if an issuer itself builds or rehabilitates the property, not more than 75 percent of the capitalizable cost is attributable to property acquired by an issuer.

(5) Real Property shall mean land and improvements to land, such as buildings or other inherently permanent structures, including interests in real property. For example, Real Property includes wiring in a building, plumbing systems, central heating or air-conditioning systems, pipes or ducts, elevators, escalators installed in a building, paved parking areas, roads, wharves and docks, bridges, and sewage lines.

(6) Reasonable Retainage shall mean an amount, not to exceed five percent of (i) Available Construction Proceeds as of the end of the two-year expenditure schedule (in the case of the two-year exception to the Rebate Requirement) or (ii) Net Sale Proceeds as of the end of the 18-month expenditure schedule (in the case of the 18-month exception to the Rebate Requirement), that is retained for reasonable business purposes relating to the property financed with the issue. For example, a Reasonable Retainage may include a retention to ensure...
or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which an issuer reasonably determines that a dispute exists regarding completion or payment.

(7) Specially Developed Computer Software shall mean any programs or routines used to cause a computer to perform a desired task or set of tasks, and the documentation required to describe and maintain those programs, provided that the software is specially developed and is functionally related and subordinate to Real Property or other Constructed Personal Property.

(8) Tangible Personal Property shall mean any tangible personal other than Real Property, including interests in tangible personal property. For example, Tangible Personal Property includes machinery that is not a structural component of a building, subway cars, fire trucks, automobiles, office equipment, testing equipment, and furnishings.

(i) Special Rules Relating to Refundings.

(1) Transferred Proceeds. In the event that a prior issue that might otherwise qualify for one of the spending exceptions is refunded, then for purposes of applying the spending exceptions to the prior issue, proceeds of the prior issue that become transferred proceeds of the refunding issue continue to be treated as unspent proceeds of the prior issue; if such unspent proceeds satisfy the requirements of one of the spending exceptions then they are not subject to rebate either as proceeds of the prior issue or of the refunding issue. Generally, the only spending exception applicable to refunding issues is the six-month exception. In applying the six-month exception to a refunding of a prior issue, only transferred proceeds of the refunding issue from a taxable prior issue and other amounts excluded from the definition of gross proceeds of the prior issue under the special definition of gross proceeds contained in Section (b) above are treated as gross proceeds of the refunding issue and so are subject to the six-month exception applicable to the refunding issue.

(2) Series of Refundings. In the event that an issuer undertakes a series of refundings for a principal purpose of exploiting the difference between taxable and tax-exempt interest rates, the six-month spending exception is measured for all issues in the series commencing on the date the first bond of the series is issued.

(j) Elections Applicable to Pool Bonds. An issuer of a pooled financing issue can elect to apply the spending exceptions separately to each loan from the date such loan is made or, if earlier, on the date on year after the date the pool bonds are issued. In the event this election is made, no spending exceptions are available and the normal Rebate Requirement applies to Gross Proceeds prior to the date on which the applicable spending periods begin. In the event this election is made, an issuer may also elect to make all elections applicable to the two-year spending exception, described in Section (g) above, separately for each loan; any such

Appendix I-6
elections that must ordinarily be made prior to the issue date must then be made by an issuer
before the earlier of the date the loan is made or one year after the issue date.

Appendix I-7
LINE OF CREDIT AGREEMENT

by and between

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

and

CENTENNIAL BANK

Dated October 26, 2018

relating to

Not to Exceed $7,500,000
ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA
GRANT PROCEEDS NOTE, SERIES 2018
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i
LINE OF CREDIT AGREEMENT

This LINE OF CREDIT AGREEMENT is made and entered into as of October 26, 2018 by and between ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA (the “Village”), and CENTENNIAL BANK, an Arkansas state banking corporation (together with its successors and/or assigns, the “Lender”).

WITNESSETH:

WHEREAS, the Village has previously determined that it is necessary for the health, safety and welfare of the Village and in the best interest of its inhabitants to construct the Project (as hereinafter defined). Issuance of the Series 2018 Note (as hereinafter defined) satisfies an essential public purpose.

WHEREAS, the Village received a proposal from the Lender and the Lender has agreed to make a not to exceed $7,500,000 line of credit available to the Village; and

WHEREAS, pursuant to the Resolution, the Village has determined that it is in the best interest of the health, safety and welfare of the Village and the inhabitants thereof that the Village pledge the Pledged Revenues to secure the obligations of the Village to repay the principal of and interest on the Series 2018 Note when due; and

WHEREAS, the obligation of the Village to repay principal of and interest on the Series 2018 Note will not constitute a general obligation or indebtedness of the Village as a “bond” within the meaning of any provision of the Constitution or laws of the State, but shall be and is hereby declared to be a special, limited obligation of the Village, secured solely by the Pledged Revenues and, to the extent any deficiency exists, from Non-Ad Valorem Revenues budgeted and appropriated by the Village; and

WHEREAS, the Village is not authorized to levy ad valorem taxes on any property of or in the Village to pay the principal of or interest on the Series 2018 Note or to make any other payments provided for herein; and

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

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

“Act” means Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law.
“Advance” means deposit by wire transfer or credit from the Lender to/to the account of
the Village of a portion of the Loan by Lender to the Village.

“Authorized Village Representative” means the Village Manager or his/her designee.

“Authorized Investments” means any investment, obligation, agreement or other
financial instrument to the extent not inconsistent with the terms of the investment policy of the
Village and applicable law.

“Bond Counsel” means any attorney at law or firm of attorneys, of nationally recognized
standing in matters pertaining to the validity of, and exclusion from gross income for federal tax
purposes of interest on, bonds issued by states and political subdivisions and duly admitted to
practice law in the State of Florida and acceptable to the Lender.

“Business Day” means any day except any Saturday or Sunday or day on which the
Lender or the Village are lawfully closed for business.

“Capital Portion” means capital expenditures.

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


“Conversion Date” means November 1, 2019.

“Council” means the Village Council of the Village, as the governing body of the Village.

“Date of Delivery” means October 26, 2018.

“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 Village for borrowed money or evidenced by bonds, debentures, notes or other
similar instruments; (B) all obligations of the Village 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 Village 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 Village; provided, however, if with respect to any obligation
contemplated in (A), (B), or (C) above, the Village has covenanted to budget and appropriate
sufficient Non-Ad Valorem Revenues 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 Line of Credit Agreement unless the Village 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, the Anti-Dilution test in Section 10. F.(ii) shall include any revenues pledged to such obligation (after subtracting maximum annual debt service of any other obligations secured by those revenues) in addition to Non-Ad Valorem Revenues and Governmental Funds Revenues, and such obligation shall continue to be considered “Debt” until the Village has not used any Non-Ad Valorem Revenues to satisfy such obligation for two consecutive Fiscal Years.

“Default” means an Event of Default as defined and described in Section 15 hereof.

“Finance Director” means the Village’s Finance Director.

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

“Governmental Funds” shall mean all of the “governmental funds” of the Village as described and identified in the annual audited financial statements of the Village for the applicable Fiscal Year.

“Governmental Funds Revenues” shall mean total revenues of the Village 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 Village for the applicable Fiscal Year.

“Grant Proceeds” shall mean the reimbursement proceeds received by the Village from any federal or state governmental agencies related to Hurricane Irma, including but not limited to, the Federal Emergency Management Agency, the Florida Division of Emergency Management, the United States Department of Agriculture and the State of Florida.

“Interest Rate” means tax-exempt fixed per annum interest rate equal to 2.90%.

“Lender” means Centennial Bank, an Arkansas state banking corporation and its successors and/or assigns.

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

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

“Maturity Date” means October 1, 2024

“Non-Ad Valorem Revenues” shall mean legally available revenues of the Village derived from any source whatsoever, other than ad valorem taxation on real and personal property, which are legally available for payment by the Village of debt service on the Series 2018 Note, after the payment from the sources of Non-Ad Valorem Revenues pledged thereto of
the principal of and interest on any other obligations of the Village hereafter issued which have a prior pledge on a source of the Non-Ad Valorem Revenues.

“Paying Agent” means the Finance Director.

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

“Pledged Revenues” means (i) the Grant Proceeds, (ii) the moneys on deposit in the funds and accounts created hereunder, and (iii) investment earnings on such moneys on deposit in the funds and accounts created hereunder.

“Principal Balance” means the amount of principal outstanding under the Series 2018 Note at any time which amount shall equal the sum of all Advances less any prepayments of principal.

“Project” means the clean-up and reconstructive efforts related to the aftermath of Hurricane Irma, including but not limited to debris removal from the Village’s canals, construction of a boardwalk, replacement of PVC membrane for the Founders Park Amphitheater and other capital improvements.

“Register” means the books maintained by the Registrar in which are recorded the name and address of the Registered Owner of the Series 2018 Note.

“Registered Owner” means the person in whose name the ownership of the Series 2018 Note is registered on the books maintained by the Registrar. The initial Registered Owner shall be the Lender.

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

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

“Resolution” means Resolution No. 18-10-107 adopted by the Village on October 18, 2018, as may be amended and supplemented from time to time.

“Series 2018 Note” means the Grant Proceeds Note, Series 2018, of the Village, substantially in the form attached hereto as Exhibit A.

“State” means the State of Florida.

“Taxable Rate” means, upon a Determination of Taxability, the interest rate per annum that shall provide the Registered Owner with the same after tax-yield that the Registered Owner would have otherwise received had the Determination of Taxability not
occurred, taking into account the increased taxable income of the Registered Owner as a result of such Determination of Taxability. The Registered Owner shall provide the Village with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Village.

“Village” means Islamorada, Village of Islands, Florida.

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


SECTION 2. INTERPRETATION. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Line of Credit Agreement and all the terms and provisions hereof (a) have been negotiated between the Village and the Lender; (b) shall not be construed strictly in favor of or against either party hereto; and (c) shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

SECTION 3. THE LOAN.

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

B. Disbursement of Proceeds. Proceeds of the Loan shall be made available to the Village in one or more Advances. The proceeds of each Advance shall be used for the Project.

SECTION 4. DESCRIPTION OF SERIES 2018 NOTE. The obligation of the Village to repay the Loan shall be evidenced by the Series 2018 Note. The Series 2018 Note shall be dated as of the Date of Delivery; shall mature on the Maturity Date; and shall be in registered form.

A. Amount of Series 2018 Note. The Principal Balance of the Series 2018 Note shall be equal to the aggregate amount of all Advances requested by the Village and disbursed by the Lender less the amounts of principal repaid by the Village to the Lender, provided however, that the aggregate principal amount outstanding at any time shall not exceed Seven Million Five Hundred Thousand Dollars ($7,500,000).

B. Interest Rate. Interest on the Series 2018 Note shall equal the Interest Rate and shall be calculated using a 360-day year for the actual number of days elapsed.

C. Payments. Except as set forth in the next sentence, interest on the Series 2018 Note shall be paid monthly in arrears on the first Business Day of each month, commencing December 1, 2018. Fully amortizing principal and interest payments shall be paid monthly on
the first Business Day of each month, commencing November 1, 2019 until the Maturity Date. Additional principal prepayments shall be made as required by Section 10.B hereof.

Upon the Conversion Date, the principal amount of the Series 2018 Note allocable to Working Capital Portion shall be due and the remaining portion of the Series 2018 Note allocable to the Capital Portion shall be converted to a term loan and paid over the next five years until the Maturity Date.

D. Advances under the Series 2018 Note. The Series 2018 Note may be drawn upon at anytime until the Conversion Date. Each Advance constitutes a representation by the Village that it remains in full compliance with the terms of this Line of Credit Agreement, that no Determination of Taxability has occurred, that no Event of Default currently exists and that no Event of Default, that has not been cured within any applicable grace and notice period, would exist with the passage of time or the giving of notice.

The Lender shall not be required to make any further Advances if an Event of Default has occurred and is continuing or if a Determination of Taxability, as defined in the Series 2018 Note, has occurred.

If the Village becomes aware or is notified by the Lender that a change in law is pending that will prevent future Advances from being made, the interest on which is excludable from the gross income of the Registered Owner, the Village may request an Advance of as much of the Loan as it believes it needs for the completion of the Project.

E. Reductions of the Principal. Upon two Business Days’ written notice by the Village to the Lender, the Village may pay an amount to the Lender to reduce the principal amount outstanding at anytime without penalty.

SECTION 5. EXECUTION OF SERIES 2018 NOTE. The Series 2018 Note shall be executed in the name of the Village by the Mayor and attested by the Clerk, and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Series 2018 Note may be signed and sealed on behalf of the Village by any person who at the actual time of the execution of the Series 2018 Note shall hold the appropriate office in the Village, although at the date thereof the person may not have been so authorized. The Series 2018 Note may be executed by the facsimile signatures of the Mayor and/or Clerk, provided that at least one of the foregoing signatures must be a manual signature.

SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2018 NOTE. The Series 2018 Note shall be and shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and each Registered Owner, in accepting the Series 2018 Note, shall be conclusively deemed to have agreed that such Series 2018 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 a Series 2018 Note is shown on the Register shall be deemed the Registered Owner thereof by the Village and the Registrar, who may treat the Registered Owner as the absolute owner of the Series 2018 Note for all purposes, whether or not the Series 2018 Note shall be overdue, and any notice to the contrary shall not be binding upon the Village or the Registrar.

Ownership of the Series 2018 Note may be transferred or assigned only upon the Register. Upon surrender to the Registrar for transfer or exchange of the Series 2018 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 2018 Note of the same amount, maturity and interest rate as the Series 2018 Note surrendered. Provided however, any assignment or transfer by the Registered Owner of the Series 2018 Note shall be in whole and not in part.

The Series 2018 Note presented for transfer, exchange, redemption or payment (if so required by the Village or the Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guaranty of signature satisfactory to the Village Attorney, Bond Counsel, or the Registrar, duly executed by the Registered Owner or by his duly authorized attorney.

The Village Manager 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 such Series 2018 Note. The Registrar or the Village Manager may also require payment from the Registered Owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto by a governmental entity other than the Village. Such charges and expenses shall be paid before any such new Series 2018 Note shall be delivered.

The new Series 2018 Note delivered upon any transfer or exchange shall be a valid obligation of the Village, evidencing the same debt as the Series 2018 Note surrendered, shall be secured under this Line of Credit Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2018 Note surrendered.

Whenever a Series 2018 Note shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Series 2018 Note shall be cancelled and destroyed by the Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Village.

SECTION 7. SERIES 2018 NOTE MUTILATED, DESTROYED, STOLEN OR LOST.

In case the Series 2018 Note shall be mutilated, or be destroyed, stolen or lost, upon the Registered Owner furnishing the Registrar satisfactory indemnity and complying with such other reasonable regulations and conditions as the Village may prescribe and paying such
expenses as the Village may incur, the Registrar shall issue and deliver a new Series 2018 Note of like tenor as the Series 2018 Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Series 2018 Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Series 2018 Note, upon surrender of such mutilated Series 2018 Note, if any, to the Registrar and the cancellation thereof; provided however, if the Series 2018 Note shall have matured or be about to mature, instead of issuing a substitute Series 2018 Note, the Village may pay the same, upon being indemnified as aforesaid, and if such Series 2018 Note be lost, stolen or destroyed, without surrender thereof. Any Series 2018 Note surrendered under the terms of this Section 7 shall be cancelled by the Registrar.

Any such new Series 2018 Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the Village whether or not, as to the new Series 2018 Note, the lost, stolen or destroyed Series 2018 Note be at any time found by anyone, and such new Series 2018 Note shall be entitled to equal and proportionate benefits and rights as to security for payment to the same extent as the Series 2018 Note originally issued hereunder.

SECTION 8. FORM OF SERIES 2018 NOTE. The Series 2018 Note shall be in substantially the form attached hereto as Exhibit A, with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Line of Credit Agreement.

SECTION 9. SECURITY FOR SERIES 2018 NOTE; SERIES 2018 NOTE NOT DEBT OF THE VILLAGE. The payment of the principal of and interest on the Series 2018 Note shall be secured forthwith solely by a lien upon and pledge of the Pledged Revenues and to the extent any deficiency exists, from Non-Ad Valorem Revenues budgeted and appropriated by the Village. The principal of and interest on the Series 2018 Note shall not constitute a general obligation or indebtedness of the Village, but shall be a limited obligation of the Village payable solely from the Pledged Revenues as provided herein. The Registered Owner shall never have the right to compel the levy of ad valorem taxes upon any property of or in the Village for the payment of the principal of and interest on the Series 2018 Note.

Anything in this Agreement to the contrary notwithstanding, to the extent that at any time a deficiency exits in the amount of Pledged Revenues needed to pay debt service on the Series 2018 Note, it is understood and agreed that all obligations of the Village hereunder shall be payable from Non-Ad Valorem Revenues budgeted and appropriated as provided for hereunder and nothing herein shall be deemed to pledge ad valorem taxation revenues or to permit or constitute a mortgage or lien upon any assets or property owned by the Village, and neither the Lender nor any other person may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Village for the purpose of making up such deficiency. The Village covenants to budget and appropriate sufficient Non-Ad Valorem Revenues to make the payments required hereunder. The obligations hereunder do not constitute a general obligation indebtedness of the Village within the meaning of any constitutional, statutory or charter provision or limitation, and neither the Lender nor any other person shall have the right to compel the exercise of the ad valorem taxing power of the Village.
or taxation of any real or personal property therein for the payment by the Village of its obligations hereunder. Except to the extent expressly set forth in this Line of Credit Agreement, this Line of Credit Agreement and the obligations of the Village hereunder shall not be construed as a limitation on the ability of the Village to pledge or covenant to pledge said Non-Ad Valorem Revenues or any revenues or taxes of the Village for other legally permissible purposes. Notwithstanding any provisions of this Line of Credit Agreement or the Series 2018 Note to the contrary, the Village shall never be obligated to maintain or continue any of the activities of the Village which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues or the rates for such services or regulatory fees. Neither this Line of Credit Agreement nor the obligations of the Village hereunder shall be construed as a pledge of or a lien on all or any Non-Ad Valorem Revenues of the Village other than Pledged Revenues, but shall be payable solely as provided in this Section and are subject in all respects to the provisions of Section 166.241, Florida Statutes, and are 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 Village.

The Lender and the Village understand that the amounts available to be budgeted and appropriated to make debt service payments hereunder are subject to the obligation of the Village to provide essential services; however, such obligation to make debt service payments is cumulative and would carry over from Fiscal Year to Fiscal Year.

SECTION 10. COVENANTS OF THE VILLAGE. Until the principal of and interest on the Series 2018 Note shall have been paid in full or provision for payment of the Series 2018 Note shall have been made in accordance with the provisions of this Line of Credit Agreement, the Village covenants with the Registered Owner of the Series 2018 Note as follows:

A. Payments. The Village will punctually pay all principal of and interest on the Series 2018 Note when due by wire transfer or other medium acceptable to the Village and the Lender, as provided by Section 4 hereof.

B. Reimbursements. The Village covenants that it will pay to the Lender to be utilized to repay principal on the Series 2018 Note all proceeds of reimbursements from the Grant Proceeds received in connection with the Project promptly upon receipt thereof.

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

D. Annual Budget and Other Information. The Village will prepare its annual budget in accordance with the Act, and will provide to the Lender a copy of its final annual budget for each Fiscal Year within 30 days of adoption thereof by the Council, and the Village will provide the Lender such other financial or public information as the Lender may reasonably request.
E. **Tax Compliance.** Neither the Village, nor any third party over whom the Village has control, will make any use of, or permit an omission of use, of the proceeds of the Series 2018 Note at any time during the term of the Series 2018 Note which would cause the Series 2018 Note to be (a) a “private activity bond” within the meaning of Section 103(b)(1) of the Code or (b) an “arbitrage bond” within the meaning of Section 103(b)(2) of the Code. The Village covenants throughout the term of the Series 2018 Note to comply with the requirements of the Code and the Regulations, as amended from time to time, and to take all actions, and to not permit the omission of any actions, necessary to maintain the exclusion from gross income for purposes of the Code of interest on the Series 2018 Note, including without limitation, the payment of arbitrage rebate, if required.

The Village makes each of the representations, warranties and covenants contained in the Tax Certificate delivered with respect to the Series 2018 Note. By this reference, all terms, conditions, and covenants in said Tax Certificate are incorporated in and made a part of this Line of Credit Agreement.

F. **Additional Debt.**

   (i) **Grant Proceeds.** The Village will not further pledge the Grant Proceeds without the prior written consent of the Bank.

   (ii) **Anti-Dilution Test.** During such time as the Series 2018 Note is outstanding hereunder, the Village covenants that prior to the issuance of Debt by the Village which is secured by, or payable under a covenant to budget and appropriate from, its Non-Ad Valorem Revenues, it shall deliver to the Lender a certificate setting forth the calculations of the financial ratios provided below and certifying that it is in compliance with the following: Legally Available Non-Ad Valorem Revenues shall cover maximum annual debt service on the Series 2018 Note and projected maximum annual debt service on proposed Debt and all other Debt then outstanding which is secured by, or payable under a covenant to budget and appropriate from its Non-Ad Valorem Revenues, by at least 1.50x. For the calculations of debt service coverage required by this clause (ii), “Legally Available Non-Ad Valorem Revenues” shall be determined using the average of actual receipts for the prior two Fiscal Years based on the Village’s annual audited financial statements for such Fiscal Years. In addition, maximum annual debt service on the Series 2018 Note and maximum annual debt service on other Debt shall be determined on an aggregate basis whereby the annual debt service for each is combined and the overall maximum is determined. In calculating maximum annual debt service for this paragraph, there shall be excluded self-supporting enterprise fund Debt for which a back-up covenant to budget and appropriate from Non-Ad Valorem Revenues is provided to the extent the enterprise fund revenues pledged to such Debt are sufficient to meet the rate covenant with respect to such Debt without reliance of any back-up covenant to budget and appropriate from Non-Ad Valorem Revenues.

For the purposes of the covenants contained in this Section, 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 over 20 years from the date of original issuance 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.

G. **Pursuit of Grant Proceeds.** The Village shall use diligent good faith efforts throughout the term of this Agreement to secure Grant Proceeds in an amount equal to or in excess of the amount of $7,500,000. If requested, the Village shall provide the Lender with updates as to the status of obtaining the Grant Proceeds.

**SECTION 11. REPRESENTATIONS AND WARRANTIES.** The Village represents and warrants to the Lender that:

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

B. **Authorization of Line of Credit Agreement and Related Documents.** The Village has the power and has taken all necessary action to authorize the execution and delivery of and the performance by the Village of its obligations under, this Line of Credit Agreement and the Series 2018 Note in accordance with their respective terms. This Line of Credit Agreement and the Series 2018 Note have been duly executed and delivered by the Village and are valid and binding obligations of the Village, enforceable against the Village in accordance with their respective terms, except to the extent that such enforcement may be limited by laws regarding bankruptcy, insolvency, reorganization or moratorium applicable to the Village or by general principles of equity regarding the availability of specific performance.

C. **Financial Statements.** The audited financial statements of the Village for the Fiscal Year ended September 30, 2017 (the “Financial Statements”), previously provided to the Lender were prepared in accordance with generally accepted accounting principles, are correct and present fairly the financial condition of the Village as of such date and the results of its operations for the period then ended.

**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 Date of Delivery:

A. **Action.** The Lender shall have received a copy of the Resolution certified as complete and correct as of the closing date, together with an executed Line of Credit Agreement, the executed Series 2018 Note, and the customary closing certificates.
B. **Incumbency of Officers.** The Lender shall have received an incumbency certificate of the Village in respect of each of the officers who is authorized to sign this Line of Credit Agreement, the Series 2018 Note, and the related financing documents on behalf of the Village.

C. **Opinion of Village Attorney.** The Lender shall have received a written opinion of the Village Attorney as to (1) the valid existence of the Village as a municipal corporation of the State; (2) the due adoption of the Resolution; (3) the due authorization and execution of this Line of Credit Agreement and the Series 2018 Note, and the transaction contemplated hereby and thereby; (4) the Line of Credit Agreement and the Series 2018 Note constituting valid and binding obligations of the Village, enforceable against the Village, in accordance with their respective terms; and (5) the absence of litigation against the Village relating to (a) its existence or powers, (b) its authority to issue the Series 2018 Note, pledge the Pledged Revenues and Non-Ad Valorem Revenues, and (c) the procedures governing the authorization and issuance of the Series 2018 Note, in a form and substance satisfactory to the Lender.

D. **Certificate of Finance Director.** The Lender shall have received a certification from the Finance Director that: (1) since the date of the Financial Statements referred to in Section 10.D. above, there has been no material adverse change in the financial condition, revenues, properties or operations of the Village; (2) there are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the Village as of the date of such financial information which are not reflected therein; (3) there has been no material adverse change in the financial condition or operations of the Village since the date of such Financial Statements (and to the Finance Director’s knowledge no such material adverse change is pending or threatened); and (4) the Village has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such information.

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

F. **Lender Payments.** Lender shall have received payment of all fees required pursuant to the Commitment.

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

Village: ISLAMORADA, VILLAGE OF ISLANDS, Florida
86800 Overseas Highway
Islamorada, Florida 33036
Attention: Village Manager, with a required copy to the Village Attorney at the same address, and a required copy to the Clerk at the same address.

Lender: Centennial Bank
81541 Old Highway
Islamorada, Florida 33036
Attention: Vice President, Commercial Loan Officer

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

SECTION 14. EVENTS OF DEFAULT DEFINED. The following shall be “Events of Default” under this Line of Credit Agreement, and the terms “Default” and “Events of Default” shall mean (except where the context clearly indicates otherwise), any one or more of the following events:

A. Failure by the Village to make any payment of principal of or interest on the Series 2018 Note within 5 Business Days of the date due.

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

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

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

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

SECTION 15. NOTICE OF DEFAULTS. The Village shall within five (5) Business Days after it acquires knowledge thereof, notify the Registered Owner of the Series 2018 Note in writing (a) of any change in any material fact or circumstances represented or warranted by the Village in this Agreement or in connection with the issuance of the Series 2018 Note, (b) upon the happening, occurrence, or existence of any Event of Default that the Registered Owner is not otherwise aware of, and (c) any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Registered Owner of the Series 2018 Note, with such written notice, a detailed statement by the Authorized Village Representative of all the relevant facts and the action being taken or proposed to be taken by the Village with respect thereto. Regardless of the date of receipt of such notice by the Registered Owner of the Series 2018 Note, such date shall not in any way modify the date of occurrence of the actual Event of Default.

SECTION 16. REMEDIES. Upon the occurrence and during the continuance of an Event of Default, the Lender may sue to protect and enforce any and all rights, including the right to specific performance, existing under the laws of the State of Florida, of the United States of America, or granted and contained in this Line of Credit Agreement, and to enforce and compel the performance of all duties required by this Line of Credit Agreement or by any applicable laws to be performed by the Village, the Council or by any officer thereof, and may take all steps to enforce this Line of Credit Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America.

The Village and the Lender each waives, to the fullest extent permitted by law, any right to trial by jury in respect of any litigation based upon the Series 2018 Note or arising out of, under or in conjunction with the Series 2018 Note, this Line of Credit Agreement or out of any course of conduct, course of dealing, statements (verbal or written), or actions of the Village or the Lender.

SECTION 17. NO PERSONAL LIABILITY. No recourse shall be had for the payment of the principal of and interest on the Series 2018 Note or for any claim based on the Series 2018 Note or on this Line of Credit Agreement, against any present or former member or officer of the Council or any person executing the Series 2018 Note.
SECTION 18. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Line of Credit Agreement, shall be other than a Business Day, then such payment or performance shall be made on the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Line of Credit Agreement, provided that interest on any monetary obligation hereunder shall accrue at the applicable rate to and including the date of such payment.

SECTION 19. AMENDMENTS, CHANGES AND MODIFICATIONS. This Line of Credit Agreement may be amended only by a writing approved with the same formality as this Agreement, signed by both parties hereto.

SECTION 20. BINDING EFFECT. To the extent provided herein, this Line of Credit Agreement shall be binding upon the Village and the Lender and shall inure to the benefit of the Village and the Lender and their respective successors and assigns. This Line of Credit Agreement shall be discharged and neither the Village nor the Lender shall have any further obligations hereunder or under the Series 2018 Note when the Village shall have paid the principal of and interest on the Series 2018 Note in full and shall have paid in full all other amounts, if any, due under the Series 2018 Note or this Line of Credit Agreement.

SECTION 21. SEVERABILITY. In the event any court of competent jurisdiction shall hold any provision of this Line of Credit Agreement invalid or unenforceable such holding shall not invalidate or render unenforceable, any other provision hereof.

SECTION 22. EXECUTION IN COUNTERPARTS. This Line of Credit Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 23. APPLICABLE LAW. This Line of Credit Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 24. VENUE. The parties agree that jurisdiction and venue for the enforcement of this Line of Credit Agreement shall be in the state and/or federal courts of Monroe County, Florida.

SECTION 25. ASSIGNMENT. The Lender may assign its rights hereunder to any party to whom it sells or transfers the Series 2018 Note.
IN WITNESS WHEREOF, the parties hereto have duly executed this Line of Credit Agreement as of the date first above written.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By: ____________
     Chris Sante, Mayor

ATTEST:

By: ____________
     Kelly S. Toto, Village Clerk

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND BENEFIT OF ISLAMORADA, VILLAGE OF ISLANDS ONLY:

By: ____________
     Roget V. Bryan, Village Attorney
CENTENNIAL BANK

By: [Signature]
Name: Jack Thorley
Title: Vice President and Commercial Loan Officer
EXHIBIT A

FORM OF SERIES 2018 NOTE

ANY OWNER SHALL, PRIOR TO BECOMING AN OWNER, EXECUTE A LENDER’S CERTIFICATE IN THE FORM ATTACHED TO THE RESOLUTION (HEREIN DEFINED) CERTIFYING, AMONG OTHER THINGS, THAT SUCH OWNER IS AN “ACCREDITED INVESTOR” AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED AND REGULATION D THEREUNDER.

No. R-1

NOT TO EXCEED $__________

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA
GRANT PROCEEDS NOTE, SERIES 2018

INTEREST RATE MATURITY DATE DATE OF ISSUE

__% _______________ ____, 2018

REGISTERED OWNER:

PRINCIPAL AMOUNT: NOT TO EXCEED

KNOW ALL MEN BY THESE PRESENTS, that ISLAMORADA, VILLAGE OF ISLANDS, Florida (the “Village”), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on the Maturity Date, or sooner as provided herein, the principal sum of $_____ or the amount so advanced and the interest on the outstanding principal hereof from the date of this Note or from the most recent date to which interest has been paid, whichever is applicable, until payment of such principal, with all unpaid interest being due on the Maturity Date or upon the earlier payment of principal hereunder upon presentation and surrender hereof at the office of the Clerk for ISLAMORADA, VILLAGE OF ISLANDS, as Registrar and Paying Agent. The principal of, and interest on this Note are payable in lawful money of the United States of America. Interest shall be payable at the Interest Rate stated above. Interest due hereon shall be calculated on the basis of a 360-day year for the actual number of days elapsed.

This Note is being issued in the not to exceed aggregate principal amount $__________ to pay the costs of the Project under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter
166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. 2018-______, duly adopted by the Village Council on______, 2018 (the “Resolution”), and pursuant to a Line of Credit Agreement between the Village and the Registered Owner, dated ____, 2018 (the “Line of Credit Agreement”), to which reference should be made to ascertain those terms and conditions. The terms and provisions of the Line of Credit Agreement and the Resolution, including without limitation, the definitions therein, are hereby incorporated as a part of this Note. The principal of this Note shall be disbursed by the Registered Owner hereof to the Village in one or more Advances in accordance with the Line of Credit Agreement. Upon request by the Village to the Registered Owner, the Village may pay an amount to reduce the principal amount outstanding at anytime without penalty.

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

The Registered Owner may sue to protect and enforce any and all rights, including the right to specific performance, existing under the laws of the State of Florida, of the United States of America, or granted and contained in the Line of Credit Agreement, and to enforce and compel the performance of all duties required by the Line of Credit Agreement or by any applicable laws to be performed by the Village, the Council or by any officer thereof, and may take all steps to enforce the Line of Credit Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America.

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

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

[Remainder of page left intentionally blank]
IN WITNESS WHEREOF, ISLAMORADA, VILLAGE OF ISLANDS, Florida, has caused this Note to be executed by the Mayor and attested by the Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue above.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

(SEAL)

By: __________________________
    Mayor

ATTEST:

By: __________________________
    Village Clerk
CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes issued under the provisions of the within mentioned Resolution.

Village Clerk of Islamorada,
Village of Islands, Florida,
as Authenticating Agent

Date of Authentication:

____, 2018

By: __________________________

Authorized Officer
ASSIGNMENT AND TRANSFER

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

Date:

Signature Guaranteed by

________________________________________

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

By: ________________
Title:

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

We, the undersigned officers of Islamorada, Village of Islands, Florida (the “Issuer”), DO HEREBY CERTIFY that on the 26th day of October 2018, we delivered to Centennial Bank (the “Purchaser”), the following described obligation:

Not exceeding $7,500,000 Islamorada, Village of Islands, Florida, Grant Proceeds Note, Series 2018, consisting of one fully-registered Note dated October 26, 2018, bearing interest at a rate of 2.90% and maturing on October 1, 2024.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, I have hereunto set my hand and seal this 26th day of October, 2018.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By: ____________________________
   Chris Sante
   Village Mayor

ATTEST:

By: ____________________________
   Kelly S. Roth
   Village Clerk
RECEIPT FOR NOTE

RECEIPT IS HEREBY ACKNOWLEDGED by Centennial Bank, of the following described obligation of Islamorada, Village of Islands, Florida:

Not exceeding $7,500,000 Islamorada, Village of Islands, Florida, Grant Proceeds Note, Series 2018, consisting of one fully-registered Note dated October 26, 2018, bearing interest at a rate of 2.90% and maturing on October 1, 2024.

Dated this 26th day of October, 2018.

CENTENNIAL BANK

By: [Signature]
Name: Jack Thorley
Title: Vice President and Commercial Loan Officer
CERTIFICATE AS TO PUBLIC MEETINGS
AND NO CONFLICT OF INTEREST

STATE OF FLORIDA
COUNTY OF MONROE

Each of the undersigned members of the Village Council (the “Council”) of Islamorada, Village of Islands, Florida (the “Issuer”), recognizing that the purchasers of its Islamorada, Village of Islands, Florida Grant Proceeds Note, Series 2018 (the “Series 2018 Note”), will have purchased said Series 2018 Note in reliance upon this Certificate, DOES HEREBY CERTIFY:

(1) that he or she has no personal knowledge that any two or more members of the Council, meeting together, reached any prior conclusion as to whether the actions taken by the Council, with respect to said Series 2018 Note, the security therefor and the application of the proceeds thereof, should or should not be taken by the Council or should or should not be recommended as an action to be taken or not to be taken by the Council, except at public meetings of the Council held after due notice to the public was given in the ordinary manner required by law and custom of the Council;

(2) that he or she does not have or hold any employment or contractual relationship with Centennial Bank which is purchasing the Series 2018 Note from the Issuer.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures as of the 26th day of October, 2018.

Chris Sante

Deb Gillis

Cheryl Meads

Jim Mooney

Mike Forster
CERTIFICATE OF ISSUER

The undersigned, Village Mayor and Village Finance Director, respectively, of Islamorada, Village of Islands, Florida (the “Issuer”), in connection with the issuance of its not exceeding $7,500,000 Grant Proceeds Note, Series 2018 (the “Series 2018 Note”), hereby represent and warrant as follows:

1. There is no action, suit, proceeding, investigation at law or in equity before or by any court, public board or body, to the best knowledge of the Issuer, pending or threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Series 2018 Note or the payment, collection or application of the proceeds thereof or of the revenues and other moneys and securities pledged or to be pledged under the Resolution adopted by the Issuer on October 18, 2018 (the “Resolution”) and the Line of Credit Agreement dated October 26, 2018 between the Issuer and Centennial Bank (the “Line of Credit Agreement”) to the payment of Series 2018 Note, (b) contesting or affecting the authority for or the validity of the Series 2018 Note, the Resolution or the Line of Credit Agreement, or (c) contesting the existence or powers of the Issuer to carry out and effectuate the obligations contemplated by the Resolution, the Series 2018 Note and the Line of Credit Agreement.

2. The Resolution, the Line of Credit Agreement and the Series 2018 Note have been duly authorized, executed and delivered by the Issuer and are in full force and effect in accordance with their terms.

3. The Issuer is not in default, and has not been in default at any time after December 1, 1975, as to principal and interest with respect to an obligation issued or guaranteed by the Issuer, and no event has occurred and is continuing with respect to any such obligation which with the lapse of time or the giving of notice, would constitute a default thereunder.

4. The following are now, and have continuously been since the dates of beginning of their respective current terms, the duly appointed, qualified and acting members of the Village Council of the Issuer and the ending dates of their respective current terms are hereunder correctly designated opposite their names:

<table>
<thead>
<tr>
<th>NAME</th>
<th>TITLE</th>
<th>ENDING DATE OF CURRENT TERM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chris Sante</td>
<td>Mayor</td>
<td>November 2018</td>
</tr>
<tr>
<td>Deb Gillis</td>
<td>Vice-Mayor</td>
<td>November 2018</td>
</tr>
<tr>
<td>Cheryl Meads</td>
<td>Member</td>
<td>November 2018</td>
</tr>
<tr>
<td>Jim Mooney</td>
<td>Member</td>
<td>November 2018</td>
</tr>
<tr>
<td>Mike Forster</td>
<td>Member</td>
<td>November 2018</td>
</tr>
</tbody>
</table>
5. On the date of the signing of the Series 2018 Note and the other instruments referred to herein and on the date hereof, the qualified and acting Village Clerk (the “Village Clerk”), is authorized to attest to the seal of the Issuer and to the signature of the Village Mayor as it appears on said instrument. Set forth below is the specimen signature of said persons:

<table>
<thead>
<tr>
<th>Name of Officer</th>
<th>Title</th>
<th>Specimen Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chris Sante</td>
<td>Village Mayor</td>
<td></td>
</tr>
<tr>
<td>Kelly S. Toth</td>
<td>Village Clerk</td>
<td></td>
</tr>
</tbody>
</table>

The Series 2018 Note is signed with the manual signatures of the Village Mayor and Village Clerk, and authenticated by the Village Clerk, as Registrar.

6. The meetings of the Issuer at which action was taken with regard to the issuance of the Series 2018 Note and the execution and delivery of the Resolution, the Line of Credit Agreement, and any other agreements, certificates and instruments contemplated thereby, were open to the public, were held pursuant to proper public notice and in compliance with Florida law.

7. No further consent, approval or authorization of, or filing, registration or qualification with, any governmental authority is required on the part of the Issuer as a condition to the execution of the Series 2018 Note.

8. The seal set forth below is the official seal of the Issuer which appears on the Series 2018 Note.

9. There has been no material adverse change in the financial position of the Issuer, as presented in its financial audit for the fiscal year ended September 30, 2017, since the date of such audit. All of the financial information provided by the Issuer to Centennial Bank, is accurate and complete as of the date hereof and was accurate and complete as of its date of delivery.

10. The representations and warranties of the Issuer in the Line of Credit Agreement are true and correct on the date hereof and no Default under the Line of Credit Agreement has occurred as of the date hereof or will occur as a result of the consummation of the loan made under the Line of Credit Agreement and the Series 2018 Note.
IN WITNESS WHEREOF, this Certificate is executed and delivered as of this 26th day of October 2018.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By: ____________________________
    Chris Sante
    Village Mayor

By: ____________________________
    Maria Bassett
    Village Finance Director

Attest:

By: ____________________________
    Kelly S. Toth
    Village Clerk
CERTIFICATE OF FINANCE DIRECTOR

I, Maria Bassett, as Finance Director of Islamorada, Village of Islands, Florida (the "Issuer"), in connection with the issuance of the not to exceed $7,500,000 Islamorada, Village of Islands, Florida Grant Proceeds Note, Series 2018 (the "Series 2018 Note"), hereby certify as follows:

(1) Since the date of the Financial Statements referred to in Section 12.D (the "Financial Statements") of the Line of Credit Agreement dated October 26, 2018 between the Issuer and Centennial Bank, there has been no material adverse change in the financial condition, revenues, properties or operations of the Issuer.

(2) There are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the Issuer as of the date of such Financial Statements which are not reflected therein.

(3) There has been no material adverse change in the financial condition or operations of the Issuer since the date of such Financial Statements (and to the Finance Director’s knowledge no such material adverse change is pending or threatened).

(4) The Issuer has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such Financial Statements.

Dated this 26th day of October, 2018

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By:  
Maria Bassett
Finance Director
CERTIFICATE OF RECORDING OFFICER

1. I am the duly appointed, qualified and acting Village Clerk of Islamorada, Village of Islands, Florida, and keeper of the records thereof, including the minutes of its proceedings;

2. A meeting was duly convened on October 18, 2018, in conformity with all applicable requirements; a proper quorum was present throughout said meeting and the instrument hereinafter mentioned was duly proposed, considered and adopted in conformity with applicable requirements; and all other requirements and proceedings incident to the proper adoption of said instrument have been duly fulfilled, carried out and otherwise observed;

3. I am duly authorized to execute this Certificate; and

4. The copy of Resolution No. 18-10-107 is annexed hereto, entitled:

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, PROVIDING FOR THE BORROWING IN THE FORM OF A LINE OF CREDIT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $7,500,000 FROM CENTENNIAL BANK TO FINANCE THE PROJECT; PROVIDING FOR THE ISSUANCE OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, GRANT PROCEEDS NOTE, SERIES 2018; PLEDGING THE PLEDGED REVENUES; PROVIDING FOR THE PAYMENT OF THE SERIES 2018 NOTE AND THE EXECUTION AND RELATED FINANCING DOCUMENTS IN CONNECTION THERewith; AUTHORIZING FURTHER OFFICIAL ACTION IN CONNECTION WITH THE DELIVERY OF THE SERIES 2018 NOTE; AND PROVIDING AN EFFECTIVE DATE.

is a true, correct and compared copy of the original instrument referred to in said minutes and as finally adopted at said meeting, is in full force and effect and, to the extent required by law, has been duly signed or approved by the proper officer or officers and is on file and of record.

DATED this 26th day of October, 2018.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

(SEAL)

By: [Signature]
Village Clerk
RESOLUTION NO. 18-10-107

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, PROVIDING FOR THE BORROWING IN THE FORM OF A LINE OF CREDIT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $7,500,000 FROM CENTENNIAL BANK TO FINANCE THE PROJECT; PROVIDING FOR THE ISSUANCE OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, GRANT PROCEEDS NOTE, SERIES 2018; PLEDGING THE PLEDGED REVENUES; PROVIDING FOR THE PAYMENT OF THE SERIES 2018 NOTE AND THE EXECUTION AND RELATED FINANCING DOCUMENTS IN CONNECTION THERewith; AUTHORIZING FURTHER OFFICIAL ACTION IN CONNECTION WITH THE DELIVERY OF THE SERIES 2018 NOTE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Islamorada, Village of Islands (the “Village”) issued a Request for Proposals (the “RFP”) in order to identify a banking institution that can best provide the Village with a bank qualified, tax-exempt Line of Credit; and

WHEREAS, the Line of Credit will be used to fund Hurricane Irma-related response and recovery expenses, including the cost of removing Hurricane Irma-generated debris from the Village’s canals; and

WHEREAS, the Village received a proposal from Centennial Bank (the “Lender”) and the Lender has agreed to make Line of Credit available to the Village; and

WHEREAS, pursuant to the Resolution, the Village has determined that it is in the best interest of the health, safety and welfare of the Village and the inhabitants thereof that the Village pledge the Pledged Revenues to secure the obligations of the Village to repay the principal of and interest on the Series 2018 Note when due; and

WHEREAS, the obligation of the Village to repay principal of and interest on the Series 2018 Note will not constitute a general obligation or indebtedness of the Village as a “bond” within the meaning of any provision of the Constitution or laws of the State, but shall be and is hereby declared to be a special, limited obligation of the Village, secured solely by the Pledged Revenues and, to the extent any deficiency exists, from Non-Ad Valorem Revenues budgeted and appropriated by the Village; and

WHEREAS, the Village is not authorized to levy taxes on any property of or in the Village to pay the principal of or interest on the Series 2018 Note or to make any other payments provided for herein; and
WHEREAS, the Village has previously determined that it is necessary for the health, safety and welfare of the Village and in the best interest of its inhabitants to perform the Project (as hereinafter defined) and that issuance of the Series 2018 Note (as hereinafter defined) satisfies an essential public purpose.

NOW THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA AS FOLLOWS:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act").

Section 2. Definitions. The following terms shall have the following meanings when used in this Resolution unless the context clearly requires otherwise. Words importing singular numbers shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Line of Credit Agreement.


"Clerk" means the Clerk of the Village or, in the Clerk's absence, any Deputy Clerk.

"Commitment" means the Commitment dated September 25, 2018, for purchase of the Series 2018 Note and the provision of the line of credit, submitted to the Village by the Lender and accepted by the Village with such changes as agreed to by the Village and the Lender.

"Council" means the Village Council of the Village, as the governing body of the Village.


"Finance Director" means the Director of Finance of the Village.

"Financial Advisor" means RBC Capital Markets, LLC.

"Lender" means Centennial Bank, a state banking corporation, and its successors and/or assigns.

"Line of Credit Agreement" means the agreement between the Lender and the Village setting forth the terms and details of the line of credit, in substantially the form attached hereto as Exhibit A with such modifications or changes thereto as may be necessary or desirable, in the opinion of the Village Attorney and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Village any additional rights or privileges not inconsistent with the terms of the Commitment, such approval of the modifications or changes to be presumed by the execution and delivery thereof by the Village to the Lender.

"Loan" means the line of credit in the aggregate principal amount not to exceed $7,500,000 from the Lender to the Village pursuant and in accordance with the Line of Credit Agreement.

CERTIFIED COPY OF ORIGINAL

[Signature]

Kelly S. Toth - Village Clerk
"Mayor" means the Mayor of the Village, or in the Mayor’s absence, the Vice Mayor.

"Non-Ad Valorem Revenues" means all legally available non-ad valorem revenues of the Village, but shall not include any ad valorem taxes.

"Pledged Revenues" shall mean the reimbursement proceeds received by the Village from any federal or state governmental agencies related to Hurricane Irma, including but not limited to, the Federal Emergency Management Agency, the Florida Division of Emergency Management, the United States Department of Agriculture and the State of Florida.

"Project" means the clean-up and reconstructive efforts related to the aftermath of Hurricane Irma, including but not limited to, debris removal from the Village’s canals, construction of a boardwalk, replacement of a PVC membrane for the Founders Park Amphitheater and other capital improvements.

"Resolution" means, collectively, this resolution and all resolutions amendatory hereof and supplemental hereto.

"Series 2018 Note" means the Islamorada, Village of Islands, Florida, Grant Proceeds Note, Series 2018, authorized herein, in substantially the form attached to the Line of Credit Agreement as Exhibit A, with such modifications or changes thereto as may be necessary or desirable, in the opinion of the Village Attorney, and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Village any additional rights or privileges not inconsistent with the terms of the Commitment, such approval of the modifications or changes to be presumed by the execution and delivery thereof by the Village to the Lender.

"Village" means Islamorada, Village of Islands, Florida, a municipal corporation of the State of Florida.

"Village Manager" means the Village Manager of the Village, or his designee.

Section 3. Findings. It is hereby found, declared, and determined by the Council:

(A) The Village has determined that it is necessary and in the best interests of the health, safety and welfare of the Village and its inhabitants that the Village finance the costs and expenses associated with the Project. Issuance of the Series 2018 Note satisfies a public purpose.

(B) The Pledged Revenues are not currently pledged to any obligation of the Village.

(C) The Series 2018 Note will be payable from Pledged Revenues and to the extent any deficiency exists in the payment of debt service on the Series 2018 Note, from Non-Ad Valorem Revenues budgeted and appropriated for such purpose. The Pledged Revenues and the Non-Ad Valorem Revenues budgeted and appropriated for such purpose are expected to be sufficient to pay the Series 2018 Note as the same becomes due.

(D) The Village Council determined that the Lender's Commitment contained terms favorable to the Village.
(E) Because of the characteristics of the Series 2018 Note, prevailing market conditions, and an ability to have an expeditious sale of the Series 2018 Note, it is in the best interest of the Village to sell the Series 2018 Note at a private negotiated sale to the Lender. The Village has received the Commitment from the Lender for the Loan, and, based upon the advice of the Financial Advisor, it is in the best interests of the Village that the Commitment be accepted. Prior to the issuance of the Series 2018 Note, the Village shall receive from the Lender, a Lender’s Certificate, the form of which is attached hereto as Exhibit B and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

(F) The obligation of the Village to repay the Series 2018 Note in accordance with its terms and to make the payments required under the Line of Credit Agreement is hereby declared to be and shall be a special, limited obligation of the Village, secured solely by the Pledged Revenues. The obligation of the Village to repay the Series 2018 Note in accordance with its terms and to make any other payments, if any, required under the Series 2018 Note or the Line of Credit Agreement shall not be or constitute a general obligation or indebtedness of the Village and neither the Series 2018 Note nor the Line of Credit Agreement shall be or constitute a “bond” of the Village within the meaning of Article VII, Section 12, Florida Constitution (1968). Neither the Lender nor any successor owner of the Series 2018 Note shall be entitled to compel the payment of the principal of or interest on the Series 2018 Note or the making of any payments required under the Series 2018 Note or the Line of Credit Agreement from any moneys of the Village other than the Pledged Revenues and Non-Ad Valorem Revenues, as provided herein and in the Line of Credit Agreement.

Section 4. Approval of Commitment. The Village accepts the Lender’s Commitment.

Section 5. Authorization of Series 2018 Note and Project. Subject and pursuant to the provisions hereof and in accordance with the provisions of the Line of Credit Agreement, the issuance by the Village of its Series 2018 Note, in an aggregate principal amount of not to exceed Seven Million Five Hundred Thousand Dollars ($7,500,000) at any one time, to be dated, to bear interest, to be payable, to mature, to be subject to redemption and to have such other characteristics as provided in the Series 2018 Note, the Line of Credit Agreement and the Commitment, and to be secured as provided in the Line of Credit Agreement is hereby authorized. The financing of the Project with proceeds from the Loan is hereby approved.

Section 6. Approval of Form of Line of Credit Agreement and Series 2018 Note. The Line of Credit Agreement and the Series 2018 Note, in substantially the form attached hereto as Exhibit A, are approved, and the Mayor and Clerk are authorized to execute and deliver the Line of Credit Agreement and the Series 2018 Note to the Lender, and to take such other actions as shall be necessary to consummate the Loan.

Section 7. Authorization of Other Action. The Mayor, the Clerk, the Village Manager, the Finance Director and the Village Attorney are each designated agents of the Village in connection with the execution and delivery of the Line of Credit Agreement and the Series 2018 Note and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Village which are necessary

CERTIFIED COPY OF ORIGINAL

Kelly S. Tosh - Village Clerk
Section 8. Application of Proceeds of Loan. The proceeds of the Loan shall be used to pay costs of the Project and pay related associated costs of issuance (including but not limited to legal and financial advisory fees and expenses).

Section 9. Repeal of Inconsistent Provisions. All resolutions or parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

Section 10. Severability. If any one or more of the covenants, agreements, or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all other provisions of the Resolution or of the Series 2018 Note or Line of Credit Agreement delivered hereunder.

Section 11. Amendment. This Resolution may not be amended or repealed except with the prior written consent of the Lender.

Section 12. Effective Date. This Resolution shall take effect immediately upon its adoption.

Motion to adopt by Councilman Jim Mooney, second by Councilwoman Cheryl Meads.

FINAL VOTE AT ADOPTION
VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS

Mayor Chris Sante
Vice Mayor Deb Gillis
Councilmember Mike Forster
Councilmember Cheryl Meads
Councilmember Jim Mooney

PASSED AND ADOPTED THIS 18TH DAY OF OCTOBER, 2018.

CHRIS SANTE, MAYOR
ATTEST:

KELLY S. TOOTH, VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE USE AND BENEFIT OF ISLAMORADA,
VILLAGE OF ISLANDS ONLY:

ROGET V. BRYAN, VILLAGE ATTORNEY
EXHIBIT A
FORM OF LINE OF CREDIT AGREEMENT
EXHIBIT B

FORM OF LENDER'S CERTIFICATE

This is to certify that Centennial Bank, or its assignee (the "Lender") has not required Islamorada, Village of Islands, Florida (the "Village") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Village in connection with the issuance by the Village of its not to exceed $7,500,000 Grant Proceeds Note, Series 2018 (the "Series 2018 Note"), and no inference should be drawn that the Lender, in the acceptance of said Series 2018 Note, is relying on Bond Counsel or the Village Attorney as to any such matters other than the legal opinions rendered by Bond Counsel and by the Village Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 2018-- adopted by the Village Council of the Village on ________, 2018 (the "Resolution").

We are aware that investment in the Series 2018 Note involves various risks, that the Series 2018 Note is not a general obligation of the Village or payable from ad valorem tax revenues, and that the payment of the Series 2018 Note is secured solely from the sources described in the Resolution (the "Pledged Revenues").

We have made such independent investigation of the Pledged Revenues as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our investment decision, we have relied upon the accuracy of information which has been provided to us.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 2018 Note and can bear the economic risk of our investment in the Series 2018 Note.

We acknowledge and understand that the Village has determined that the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and that the Series 2018 Note is not required to be registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Village, Bond Counsel nor the Village Attorney shall have any obligation to effect any such registration or qualification.

The Series 2018 Note has been purchased for the account of the Lender for investment purposes only and not with a present view to the distribution, transfer or resale thereof. The Lender intends to hold and book the Series 2018 Note as a loan in its loan portfolio; the Lender acknowledges that the use of the word "note" in the name of the debt instrument is not intended to indicate that the instrument is or is not a security within the meaning of the Securities Act of 1933. The Lender currently intends to hold such Series 2018 Note for its own account and for an indefinite period of time and does not currently intend to dispose of all or any portion of such Series 2018 Note. The Lender hereby covenants that if the Lender subsequently decides to distribute or resell the Series 2018 Note, it shall comply in all respects with all laws then applicable.

Certified Copy of Original

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with respect to any such distribution or resale. We understand that the Series 2018 Note may not be transferred in a denomination less than the par amount outstanding at the time of transfer.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Series 2018 Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are an "accredited investor" within the meaning of the Securities Act of 1933, as amended, and Regulation D thereunder.

DATED this ___ of ___________, 2018.

CENTENNIAL BANK

By: ________________________________
Name: ______________________________
Title: ______________________________
EXHIBIT C

FORM OF DISCLOSURE LETTER

The undersigned, as Lender, proposes to negotiate with Islamorada, Village of Islands, Florida (the "Village") for the private purchase of its not to exceed $7,500,000 Grant Proceeds Note, Series 2018 ("Series 2018 Note"). Prior to the award of the Series 2018 Note, the following information is hereby furnished to the Village:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Lender") in connection with the issuance of the Series 2018 Note (such fees and expenses to be paid by the Village):

   $2,500
   Legal Fees

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Lender in connection with the issuance of the Series 2018 Note to any person not regularly employed or retained by the Lender (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Lender, as set forth in paragraph (1) above.

   (b) No person has entered into an understanding with the Lender, or to the knowledge of the Lender, with the Village, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Village and the Lender or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2018 Note.

3. The amount of the underwriting spread expected to be realized by the Lender is $0.

4. The management fee to be charged by the Lender is $0.

5. Truth-in-Bonding Statement:

   The Series 2018 Note is being issued primarily to pay the costs of financing the Project. Unless earlier prepaid, the Series 2018 Note is expected to be repaid by __________, 20____; at an assumed interest rate of ___%, total interest paid over the life of the Series 2018 Note is estimated to be $______________.

   The Series 2018 Note will be payable solely from the Pledged Revenues in the manner and to the extent described in Resolution No. 2018-____ of the Village adopted on __________.
2018 (the "Resolution"). See the Resolution for a definition of Pledged Revenues. Issuance of the Series 2018 Note is estimated to result in an annual maximum of approximately $_______ of revenues of the Village not being available to finance the services of the Village during the life of the Series 2018 Note. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

6. The name and address of the Lender is as follows:

   Centennial Bank
   81541 Old Highway
   Islamorada, Florida 33036
   Attention: __________

   IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Lender this ___ day of ____________, 2018.

   CENTENNIAL BANK

   By: __________________________
   Name: _________________________
   Title: __________________________
CERTIFICATE OF RECORDING OFFICER

1. I am the duly appointed, qualified and acting Village Clerk of Islamorada, Village of Islands, Florida, and keeper of the records thereof, including the minutes of its proceedings;

2. A meeting was duly convened on June 28, 2018, in conformity with all applicable requirements; a proper quorum was present throughout said meeting and the instrument hereinafter mentioned was duly proposed, considered and adopted in conformity with applicable requirements; and all other requirements and proceedings incident to the proper adoption of said instrument have been duly fulfilled, carried out and otherwise observed;

3. I am duly authorized to execute this Certificate; and

4. The copy of the Interlocal Agreement annexed hereto, is a true, correct and compared copy of the original instrument referred to in said minutes and as finally adopted at said meeting, is in full force and effect and, to the extent required by law, has been duly signed or approved by the proper officer or officers and is on file and of record.

DATED this 26th day of October, 2018.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

(Seal)

By: Kelly J. Roth
Village Clerk
INTERLOCAL AGREEMENT BETWEEN MONROE COUNTY, FLORIDA, AND ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, FOR HURRICANE IRMA MARINE DEBRIS CLEARING AND RELATED SERVICES UNDER USDA NATURAL RESOURCES CONSERVATION SERVICE GRANT NR184209XXXXC027.

THIS INTERLOCAL AGREEMENT ("Agreement") is entered into this ___ day of ____, 2018, pursuant to Section 163.01, Florida Statutes, between Monroe County, a political subdivision of the State of Florida, whose address is 1100 Simonton Street, Key West, Florida 33040 ("County"), and the Islamorada, Village of Islands, Florida, a municipal corporation of the State of Florida, whose address is 86800 Overseas Highway, Islamorada, FL 33036 ("City" or "Village") (collectively hereinafter referred to as the "Parties").

WITNESSETH:

WHEREAS, the County and the City are authorized to enter into this Agreement and implement its provisions pursuant to Section 163.01, Florida Statutes, as amended, which permits local government units to make the most efficient use of their powers by enabling them to cooperate with each other for mutual advantage and to provide services and facilities in a manner and pursuant to forms of governmental organization that accords best with geographic, economic, and other factors influencing the needs and development of local communities; and

WHEREAS, Hurricane Irma made landfall in the Florida Keys on September 10, 2017 as a Category 4 hurricane with maximum sustained winds of approximately 130 m.p.h.; and

WHEREAS, the hurricane caused significant and widespread damage throughout Monroe County, including within the Village of Islamorada, including the deposit of all forms of waterway debris that poses a direct threat to the health, safety and welfare of residents of the County and City; and

WHEREAS, the County has applied for and been awarded Natural Resources Conservation Service (NRCS) Grant number NR184298XXXXC027 ("Grant") from the U.S. Department of Agriculture (USDA) for marine debris clearing and monitoring services in unincorporated Monroe County, the City of Marathon and the Village of Islamorada; and

WHEREAS, the Grant has a total approved budget of $49,257,802.90 of which eligible Financial Assistance (FA) construction costs are $45,821,212.00 and Technical Assistance (TA) costs are $3,436,590.90. FA costs are subject to a 25% local cost share; TA costs have no local cost share. Both FA and TA are paid on a reimbursement basis; and

WHEREAS, the City’s portion of the Grant is $6,590,180.00 for construction costs (FA), which is 75% reimbursable, and $329,509.00 for other related costs (TA), which is 100% reimbursable from NRCS; and

WHEREAS, it is necessary for the Parties to enter into this Agreement in order to spell out the rights and responsibilities of the Parties under the Grant and this Agreement.

CERTIFIED COPY OF ORIGINAL

Kelly S. Toth - Village Clerk
NOW THEREFORE, in consideration of the mutual covenants set forth herein and other valuable consideration, the sufficiency and receipt of which is acknowledged by both of the Parties, and pursuant to Section 163.01, et. seq., Florida Statutes, the Florida Interlocal Cooperation Act of 1969, the Parties hereto agree as follows:

SECTION 1. RECITALS. The foregoing recitals are true and correct and are hereby incorporated in this Agreement by reference.

SECTION 2. TERM AND TERMINATION.

The term of this Agreement shall run from the date on which the Agreement is executed by both the Parties ("Effective Date"), and shall continue in full force and effect until the Parties have satisfied all of their obligations under this Agreement, unless terminated sooner as provided herein ("Term").

This Agreement may be terminated by either party, with or without cause, upon thirty (30) days’ notice to the other party in accordance with Section 10 below. The Agreement may also be terminated by mutual agreement of the Parties in writing. The City shall remain liable for payment for all work performed under the Agreement up to and including the date of termination, including any vendor termination fees that may apply. This Agreement is subject to and conditional upon annual appropriation by City. In the event that funding from the USDA NRCS or any other source is withdrawn, reduced, or limited in any way after the Effective Date of this Agreement but prior to completion of the Agreement, the County may terminate the Agreement, subject to renegotiation under new funding limitations and conditions.

SECTION 3. RESPONSIBILITIES OF THE PARTIES.

A. Each party to this Agreement shall designate an individual who may be designated by title or position to oversee and administer the party’s participation in this Agreement. The Parties’ initial Administrators shall be the following individuals:

For the County:
Rhonda Haag
Director Sustainability and Projects
102050 Overseas Highway, Ste. 246
Key Largo, FL 33037
Bus: (305) 453-8774
Haag-rhonda@monroecounty-fl.gov

For the City:
Seth Lawless
Village Manager
86800 Overseas Highway
Islamorada, FL 33036
Tel: (305) 664-6460
seth.lawless@islamorada.fl.us

Either party may change its Administrator at any time by delivering written notice of such party’s new Administrator to the other party.

B. The Scope of Services for work to be performed under this Grant is as shown in the Notice of Grant and Agreement Award ("Award") for the Grant, attached hereto as Exhibit A to this Agreement and incorporated herein by reference. By entering into this Agreement, each party agrees that it will comply with all terms and conditions imposed on the Sponsor in the Award.
C. Monroe County has the overall responsibility for direction of any work performed by the marine debris contractor (Marine Debris Contractor(s)) in any tier under the Grant. However, Village of Islamorada staff shall provide day-to-day onsite input for the work performed by the Marine Debris contractor(s) in Islamorada. If at any time the City directs work to be performed by the Marine Debris Contractor that is not covered under the USDA NRCS Award document, the City shall be responsible for full payment of that work to the County for such work. The City shall provide weekly summary reports to the County indicating the work that has been performed. The County shall have sole responsibility for direction of work performed by the Marine Debris Monitoring firm.

D. The contract award/project period is 220 calendar days from the date of signature on the Award by NRCS. The total estimated project budget for the City is as shown on Exhibit B to this Agreement. Of the total amounts awarded under the Grant, six million five hundred and ninety thousand one hundred eighty dollars and no cents ($6,590,180.00) for construction costs (FA), and three hundred twenty-nine thousand five hundred nine dollars and no cents ($329,509.00) for other related costs (TA) has been allocated to the City (“City Share”). No further work shall be performed once the maximum available allotment under the Grant has been reached under either category of FA or TA costs.

E. The County shall hire one or more Marine Debris Contractors and a Marine Debris Monitoring firm to perform the work covered by the Award in the City. Thereafter, throughout the Term of this Agreement, the contractors will submit invoices to the County, with copies to the City, for the work performed, up to the amounts shown in Exhibit B. Within seven (7) calendar days following receipt of the invoice from the Marine Debris Contractors or the Marine Debris Monitoring Firm, the City shall deposit funds with the County in an amount necessary to pay the full amount of the invoice. The payments from the City to the County and from the County to the City shall be made using electronic funds transfers.

F. Within seven (7) days following receipt of the payment from the City, the County shall (a) pay the contractor and (b) submit the claim to NRCS for reimbursement.

G. Within ten (10) days following receipt by the County of reimbursement from NRCS, the County will issue the reimbursement amount to the City. NRCS reimburses 100% of allowable “other” monitoring costs, and 75% of the allowable construction costs (i.e., the construction costs are subject to a 25% local match).

H. The City understands that only work covered in the Grant Agreement is allowable work, including the limit of the City canals listed in Exhibit C. If the City desires to add additional canals or additional work, or request a time extension, the City shall notify the County in writing of its intentions. The County shall then contact NRCS for guidance on proceeding with such requests. All amendments to the Award require the prior written approval of both the County and NRCS. All costs associated with preparation of new project application packages to NRCS, all permit application costs and fees and any related engineering fees for requests for amendments that originate with the City shall be entirely borne by the City and shall not be derived from the $329,509.00 allocated for TA costs.

I. Upon completion of all work allowable under the Grant Award, if there are funds remaining in the City’s allocation, those funds will be reallocated to Monroe County for use at their discretion.
in Monroe County, and Monroe County will assume the responsibility for payment of the work.

SECTION 4. RECORDS – ACCESS AND AUDITS.

A. Both Parties shall maintain all books, records, and documents directly pertinent to performance under this Agreement in accordance with generally accepted accounting principles consistently applied. Records shall be retained for a period of seven (7) years from the termination of this agreement or for a period of three (3) years from the date of submission of the final expenditure report in accordance with 2 CFR § 200.333, whichever is greater. Each party to this Agreement or its authorized representatives shall have reasonable and timely access to such records of each other party to this Agreement for public records purposes during the term of the Agreement and for four (4) years following the termination of this Agreement. If an auditor employed by the County determines that monies paid to the City pursuant to this Agreement were spent for purposes not authorized by this Agreement, the City shall repay the monies together with interest calculated pursuant to Sec. 55.03, of the Florida Statutes, running from the date the monies were paid by the County.

B. The Parties shall allow public access to all records subject to the provisions of Chapter 119, Florida Statutes, and the Constitution of the State of Florida and which have been made or received by either party in conjunction with this Interlocal Agreement.

SECTION 5. NONDISCRIMINATION.

The Parties agree that there will be no discrimination against any person, and it is expressly understood that upon a determination by a court of competent jurisdiction that discrimination has occurred, this Agreement automatically terminates without any further action on the part of any party, effective the date of the court order. The Parties agree to comply with all Federal and Florida statutes, and all local ordinances, as applicable, relating to nondiscrimination. These include but are not limited to: 1) Title VI of the Civil Rights Act of 1964 (PL 88-352) which prohibits discrimination on the basis of race, color or national origin; 2) Title IX of the Education Amendment of 1972, as amended (20 USC ss. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; 3) Section 504 of the Rehabilitation Act of 1973, as amended (20 USC s. 794), which prohibits discrimination on the basis of handicaps; 4) The Age Discrimination Act of 1975, as amended (42 USC ss. 6101-6107) which prohibits discrimination on the basis of age; 5) The Drug Abuse Office and Treatment Act of 1972 (PL 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; 6) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (PL 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; 7) The Public Health Service Act of 1912, ss. 523 and 527 (42 USC ss. 690dd-3 and 290ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; 8) Title VIII of the Civil Rights Act of 1968 (42 USC s. et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; 9) The Americans with Disabilities Act of 1990 (42 USC s. 1201 Note), as may be amended from time to time, relating to nondiscrimination on the basis of disability; 10) Monroe County Code Chapter 13, Article VI, which prohibits discrimination on the basis of race, color, sex, religion, national origin, ancestry, sexual orientation, gender identity or expression, familial status or age; 11) Any other nondiscrimination provisions in any Federal or state statutes which may apply to the parties to, or the subject matter of, this Agreement.
SECTION 6. GOVERNING LAW, VENUE.

The laws of the State of Florida shall govern this Agreement. Any lawsuit to enforce the terms and conditions of this Agreement must be brought in Monroe County, Florida.

SECTION 7. SEVERABILITY.

If any provision or part of a provision of this Agreement is found by a court or other authority of competent jurisdiction to be void or unenforceable, that provision or part of a provision is to be deemed deleted from this Agreement and the remaining provisions to continue in full force and effect. The Parties shall, in this event, seek to agree upon a valid and enforceable provision or part of a provision to replace the provision or part of a provision found to be void and unenforceable.

SECTION 8. CODE OF ETHICS.

The Parties agree that officers and employees of the City and County required to comply with the standards of conduct for public officers and employees as delineated in Section 112.311, et seq., Florida Statutes, regarding, but not limited to, solicitation or acceptance of gifts; doing business with one’s agency; unauthorized compensation; misuse of public position, conflicting employment or contractual relationship; and disclosure or use of certain information.

The County and City each warrant that, in respect to itself, it has neither employed nor retained any company or person, other than a bona fide employee working solely for it, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for it, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. Each party further warrants that it has not employed, retained or otherwise had act on its behalf any former county officer or employee subject to the prohibition of Section 2 of Ordinance No. 010-1990 as amended by Ordinance 020-1990 or any county officer or employee in violation of Section 3 of Ordinance No. 010-1990. For the breach or violation of the provision, each party shall have the right to terminate this Agreement without liability and, at its discretion, to offset from monies owed, or otherwise recover, the full amount of such fee, commission, percentage, gift, or consideration

SECTION 9. AUTHORITY TO EXECUTE, EXECUTION IN COUNTERPARTS, EXECUTION BY ELECTRONIC SIGNATURES.

The persons signing below represent and warrant that each possesses the requisite authority to execute this Agreement and to bind his respective entity through his signature. This Agreement may be signed in counterparts. In accordance with Monroe County Ordinance No. 005-2018, an electronic signature is equally valid as a hard copy or wet signature.

SECTION 10. NOTICE.

Whenever any party desires to give notice to the other, it must be given by written notice, either by registered first class U.S. mail, return receipt requested, or by certified mail, and sent to:
SECTION 11. OTHER FEDERAL CLAUSES.

The Parties understand that the subject matter of this Agreement is work that will be paid for by a federal award, as that term is defined in 2 C.F.R. part 200, and therefore, the following federal contract clauses apply:

A. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b).

B. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

C. Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.


E. NRCS Regulations. NRCS administers the Emergency Watershed Protection (EWP) program through the following authorities:
- Section 216, Public Law 81-516 (33 U.S.C. Section 701b);
- Section 403 of Title IV of the Agricultural Credit Act of 1978, Public Law 95-334; and
- Section 382, Title III, of the 1996 Farm Bill Public Law 104-127.
- Codified rules for administration of the EWP program are set forth in 7 CFR 624.

The Parties understand agree that they will comply with the aforementioned statutes and regulations.

SECTION 12. ENTIRETY OF AGREEMENT. This Agreement constitutes the entire agreement between the County and the City, and supersedes all proposals, prior agreements, and all other communication between the Parties in relation to the subject matter covered by this Agreement. Except as otherwise provided herein, no revision, amendment or modification of this Agreement shall be effective unless reduced to writing and executed by both Parties.

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed by their Authorized Officers and have affixed their corporate seals hereon.

(Seal)
Attest: KEVIN MADOK, CLERK
By: Deputy Clerk
Date:

BOARD OF COUNTY COMMISSIONERS
OF MONROE COUNTY, FLORIDA

By: David Rice, Mayor

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF MONROE COUNTY BOARD OF COUNTY COMMISSIONERS ONLY:

CYNTHIA L. HALL, ASSISTANT COUNTY ATTORNEY

(Seal)
Attest: KELLY TOOTH, CITY CLERK

By: KELLY TOOTH

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By: Seth Lawless, Village Manager

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE VILLAGE OF ISLAMORADA, FLORIDA ONLY:

ROGER V. BRYAN, VILLAGE ATTORNEY

CERTIFIED COPY OF ORIGINAL

Kelly S. Toth, Village Clerk
**County Commission Meeting**
July 18, 2018
Agenda Item Number: D.2
Agenda Item Summary #4357

**BULK ITEM:** Yes  
**DEPARTMENT:** Sustainability  
**TIME APPROXIMATE:** N/A  
**STAFF CONTACT:** Rhonda Haag (305) 453-8774

**AGENDA ITEM WORDING:** Approval to enter into a contract with the #1 ranked vendor, Adventure Environmental, Inc., in an amount not to exceed $35 Million, for removal of marine debris created by Hurricane Irma from canals in unincorporated Monroe County, City of Marathon and Village of Islamorada; also, authority to negotiate and enter into a contract with the next highest vendor(s), in rank order, if necessary.

**ITEM BACKGROUND:** This item is for approval to enter into a contract Adventure Environmental, Inc., the top ranked vendor who responded to an RFP for marine debris removal services related to Hurricane Irma. The contract is not to exceed $35 Million. There is a total of $45,821,212 available under the USDA NRCS grant for marine clearing activities. The contract may be amended at a later date to add additional funds if desired by the County BOCC.

An RFP was advertised on May 5, 2018 and opened on May 31, 2018. The selection committee met in a publicly advertised meeting on June 22nd, and ranked the proposers in the following order:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Rank Points</th>
<th>Final Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adventure Environmental, Inc.</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>ATL</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Sevenson Environmental Services, Inc.</td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td>Kearns</td>
<td>26</td>
<td>4</td>
</tr>
<tr>
<td>Earth Tech Enterprises, Inc.</td>
<td>28</td>
<td>5</td>
</tr>
<tr>
<td>Supreme Titan</td>
<td>31</td>
<td>6</td>
</tr>
<tr>
<td>Dickerson Florida, Inc.</td>
<td>31</td>
<td>6</td>
</tr>
<tr>
<td>Gator Dredging</td>
<td>32</td>
<td>8</td>
</tr>
<tr>
<td>TSI Disaster Recovery</td>
<td>33</td>
<td>9</td>
</tr>
<tr>
<td>TFR Enterprises, Inc.</td>
<td>40</td>
<td>10</td>
</tr>
<tr>
<td>Grubbs Emergency Services, LLC</td>
<td>40</td>
<td>10</td>
</tr>
<tr>
<td>AshBritt Environmental</td>
<td>42</td>
<td>12</td>
</tr>
<tr>
<td>Bergeron Emergency Services</td>
<td>43</td>
<td>13</td>
</tr>
</tbody>
</table>
On September 10, 2017 Hurricane Irma made landfall on Cudjoe Key in the lower Florida Keys with top sustained winds at 130 mph, and caused great impact to the Florida Keys canals and surrounding Florida Keys National Marine Sanctuary waters.

In February 2018, Monroe County submitted 5 Damage Survey Report (DSR) application packages for marine debris removal to the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS), Emergency Watershed Protection (EWP) Program. The DSRs included canals in unincorporated Monroe County, the City of Marathon and the Village of Islamorada. Using the program guidelines for funding eligibility in their initial review of the applications, USDA-NRCS EWP staff deemed 103 of the most heavily Irma-impacted canals eligible for funding to date, out of the 513 canals within the Florida Keys. NRCS issued a $49.2 million grant, #NR184209XXXXC027, to Monroe County for Irma-related marine debris clearing of 103 canals, of which 80 canals are in unincorporated Monroe County, 4 canals in Islamorada and 19 canals in Marathon.

The County has received a $49,257,802.90 Grant Agreement NR184209XXXXC027 from USDA NRCS, which includes reimbursement for marine debris removal expenses up to $34,365,909.00. The grant has a 220 day limit on expenditure of funds. Work in unincorporated Monroe, Marathon and Islamorada will be performed with the vendors selected by the committee.

Five categories of work were contemplated: 1) debris removal from canals and nearshore waters in the unincorporated County, Village of Islamorada and City of Marathon and transportation to debris sites; 2) sediment removal; 3) management and operation of the debris sites; 4) haul-out from the debris sites to final disposal sites; and 5) derelict vessel removal. Sediment removal is not yet an approved task of NRCS, but may become one upon submission of project applications to NRCS.

The County will enter into interlocal agreements with the Village of Islamorada and the City of Marathon to address coordination between the municipalities and the county and the payment by the municipalities for work performed in their areas.

NRCS funding for this project is provided to the Sponsor (Monroe County) in two separate NRCS funding accounts, one for financial assistance (FA) and one for technical assistance (TA). FA costs are associated with construction activities, which are 75% reimbursable.

The Grant Budget includes:

- Financial Assistance (FA) Costs:
  Construction Costs 75% NRCS $34,365,909 + 25% Sponsor $11,455,303 = $45,821,212.00

The breakdown of the funding and local cost share for the Construction portion is as follows:

<table>
<thead>
<tr>
<th>Entity</th>
<th>75% Portion NRCS</th>
<th>25% Portion Local Cost</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charley Toppino &amp; Sons, Inc.</td>
<td>43</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>SFI</td>
<td>54</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Aquatic Control Group</td>
<td>63</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Funded</td>
<td>Share Funded</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td>Monroe County</td>
<td>$23,791,149.</td>
<td>$7,930,383.</td>
<td>$31,721,532.</td>
</tr>
<tr>
<td>Islamorada</td>
<td>$4,942,635.</td>
<td>$1,647,545.</td>
<td>$6,590,180.</td>
</tr>
<tr>
<td>Marathon</td>
<td>$5,632,125.</td>
<td>$1,877,375.</td>
<td>$7,509,500.</td>
</tr>
<tr>
<td>Totals</td>
<td>$34,365,909.</td>
<td>$11,455,303.</td>
<td>$45,821,212.</td>
</tr>
</tbody>
</table>

**PREVIOUS RELEVANT BOCC ACTION:**

05/16/18: Discussion and direction and retroactive approval to submit a Request for Proposals (RFP) for marine debris removal and related services, which will be used to perform work funded by a grant in the amount of $45.8 million from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS), Emergency Watershed Protection (EWP) program, if awarded, to cover removal of marine debris created by Hurricane Irma from canals and nearshore waters in unincorporated Monroe County, City of Marathon and Village of Islamorada, with a 25% County match.

**CONTRACT/AGREEMENT CHANGES:**

B/A

**STAFF RECOMMENDATION:** Approval

**DOCUMENTATION:**

AEI Contract Final EXECUTED
Attachment E - Monroe County EWP Agreement NR184209XXXXC027
Proposal Tab for Marine Debris Clearing
Ranking of Respondents Marine Debris Clearing
Meeting Minutes from Marine Debris Clearing Selection Committee Meeting

**FINANCIAL IMPACT:**

Effective Date: Issuance of NTP after BOCC date of July 18, 2018
Expiration Date: One year after first Notice To Proceed is issued
Total Dollar Value of Contract(s): Not to exceed $35,000,000 (out of $45,821,212 available under the NRCS grant)
Total Cost to County: Local Match of 25% required
Current Year Portion: $10 Million estimated
Budgeted: No
Source of Funds: Up-front payment required. NRCS reimburses 75% of total cost. $5.49 Million portion of local cost share to be funded by DEP Stewardship funds out of the total County match of $7,930,383
CPI: No
Indirect Costs: Staff Time to manage the work
Estimated Ongoing Costs Not Included in above dollar amounts: N/A
Revenue Producing: No
If yes, amount:
<table>
<thead>
<tr>
<th>Grant: Yes</th>
<th>County Match: Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Required: Yes</td>
<td></td>
</tr>
<tr>
<td>Additional Details: $5.49 Million in Stewardship Funds shall be applied towards the local match maximum requirement of $7,930,383</td>
<td></td>
</tr>
</tbody>
</table>

**REVIEWED BY:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhonda Haag</td>
<td>Completed</td>
<td>07/02/2018 7:26 PM</td>
</tr>
<tr>
<td>Cynthia Hall</td>
<td>Completed</td>
<td>07/03/2018 7:13 AM</td>
</tr>
<tr>
<td>Budget and Finance</td>
<td>Completed</td>
<td>07/03/2018 9:55 AM</td>
</tr>
<tr>
<td>Maria Slavik</td>
<td>Completed</td>
<td>07/03/2018 9:57 AM</td>
</tr>
<tr>
<td>Kathy Peters</td>
<td>Completed</td>
<td>07/03/2018 5:58 PM</td>
</tr>
<tr>
<td>Board of County Commissioners</td>
<td>Pending</td>
<td>07/18/2018 9:00 AM</td>
</tr>
</tbody>
</table>
A regular meeting of the Monroe County Board of County Commissioners convened at 9:00 a.m. at the Marathon Government Center. Present and answering to roll call were Commissioner Heather Carruthers, Commissioner Danny Kolhage, Commissioner Sylvia Murphy, Commissioner George Neugent and Mayor David Rice. Also present at the meeting were Roman Gastesi, County Administrator; Bob Shillinger, County Attorney; Kevin Madok, Clerk of Court; Pamela Hancock, Deputy Clerk; county staff, members of the press and radio; and the general public.

**ADDITIONS, CORRECTIONS, DELETIONS**

A1 Motion was made by Commissioner Murphy and seconded by Commissioner Neugent granting approval of the Additions, Corrections and Deletions to the agenda. Motion carried unanimously.

**PRESENTATION OF AWARDS**

B1 Recognition of 10 years of service to Tina LoSacco, Project Management/Senior Engineering Technician, Wastewater.

**BULK APPROVALS**

Motion was made by Commissioner Murphy and seconded by Commissioner Kolhage granting approval of the following items by unanimous consent:

C1 Board granted approval for the Florida Keys Marathon International Airport to host the Airport's 75th Anniversary Celebration (using Airport parking lots, access roads and sidewalks), which will be a public event on October 20, 2018. The event will take place on the Marathon General Aviation leasehold ramp and include static aircraft displays and sightseeing flights.

C2 Board granted approval to negotiate a Contract with WSP USA Inc., the highest ranked respondent for Construction Engineering and Inspection Services (CEI) for the Pigeon Key Ramp Rehabilitation Project. If successful negotiations cannot be reached, approval is requested to negotiate a contract with the next highest ranked respondent until successful negotiations are reached.

C3 Board granted approval and authorized execution of Change Order 17 with OAC Action Construction Corp., increasing contract amount by $4,992.68 for the Key West Airport
Customs Facility Phase II Project, funded 50% by FDOT grant AQH10 and 50% Fund 404 Operating.

C4 Board granted approval and authorized execution of KWBTS Association Noise Insulation Program (NIP) Agreement with Key West By The Sea Association, Inc., regarding use of Association's common space for storage and equipment staging during the NIP construction project.

C6 Board granted approval and authorized execution of an Agreement with the State of Florida, Division of Emergency Management concerning an Emergency Management Performance Grant (Contract #19-FG-____) in the amount of $67,044.00, fully grant funded and no county match; and authorization for the County Administrator to execute any required documentation in relation to the grant.

C7 Board granted approval to rescind the April BOCC approval of the Second Amendment to the Consultant Agreement for Professional Architectural and Engineering Services with Pike Architects, Inc.

C8 Board granted approval and authorized execution of the Eleventh Amendment to Agreement between Superion, LLC and Monroe County, amount not to exceed $6,750.00 for additional CommunityPLUS user licenses.

C9 Board granted approval to advertise a Public Hearing to consider an Ordinance abolishing the municipal service taxing or benefit unit Districts created for fire protection and ambulance services by Ordinance No. 005-1977 which are no longer utilized due to the creation of the Lower and Middle Keys Fire and Ambulance District in 1988 and Key Largo Fire Rescue and Emergency Medical Services District in 2005.

C10 Board granted approval of the transmittal of the Fiscal Year 2019 Proposed Budget. Said budget is incorporated herein by reference.

C11 Board accepted the Monroe County Length of Service Award Program (LOSAP) actuarial valuation report for the Plan Year 2018 and transfer of funds for Plan Year 2018 into the LOSAP Trust Fund.

C12 Board adopted the following Resolution of the Board of County Commissioners of Monroe County, Florida adopting a fee schedule for a Fire Rescue Minimum Standards Class at the Monroe County Training Academy and approving a waiver of fees for qualified Monroe County Residents in the amount of $2,200.00 per student.

RESOLUTION NO. 181-2018
Said Resolution is incorporated herein by reference.

C13 Board granted approval to advertise a Request for Proposals for Employee Benefits Consulting Services.
C14  Board granted approval to award surplus items to the highest bidder as set forth in the attached Budget and Finance Purchasing Department Tabulation Sheet and authorization to dispose of the surplus items to the next highest bidder if necessary until items are disposed. Said tabulation is incorporated herein by reference.

C15  Board granted approval to negotiate a contract with WSP, USA Inc., the highest ranked respondent for Engineering Design and Permitting Services for the Sea Level Rise Pilot Project. If successful negotiations cannot be reached, approval is requested to negotiate a contract with the next highest respondent until successful negotiations are reached.

C18  Board granted approval and authorized execution of Change Orders 18 and 21 with OAC Action Construction Corp., increasing contract amount by $4,359.73 and contract time by 30 days for the Key West Airport Customs Facility Phase II project, funded 50% by FDOT grant AQH10 and 50% Airport Operating Fund 404.

C19  Board granted approval and authorized execution of Task Order Amendment 3 with Currie, Sowards, Aguila Architects for additional construction administration services at the PK Government Center and Roth Building WWTP Replacement and Abandonment project. This project is funded by infrastructure sales surtax. This amendment adds $36,960.00 to the Task Order bringing the total to $111,160.00.

C20  Board accepted the report of monthly Change Orders for the month of June 2018, reviewed by the County Administrator/Assistant Administrator. Said report is incorporated herein by reference.

C21  Board granted approval and authorized execution of Alzheimer's Disease Initiative Program (ADI) Contract KZ-1897 between the Alliance for Aging, Inc., and Monroe County Board of County Commissioners/Monroe County Social Services In-Home Services for the contract year 2018-2019 (07/01/2018-06/30/2019) in the amount of $189,458.40.

C22  Board granted approval and authorized Task Order No. 01 with Ricondo & Associates, Inc. for Passenger Facility Charge (PFC) Planning Services - PFC Application No. 18, in the amount of $56,646.00, to be funded 50% FDOT Grant ($28,323.00) and 50% PFC Fund 406 ($28,323.00).

C23  Board adopted the following Resolutions concerning the Transfer of Funds and Receipt of Unanticipated Funds:

Amending Resolution No. 032-2018 (OMB Schedule Item No. 1).

RESOLUTION NO. 182-2018
Said Resolution is incorporated herein by reference.

Transfer of Funds (OMB Schedule Item No. 2).

RESOLUTION NO. 183-2018
Said Resolution is incorporated herein by reference.
Receipt of Unanticipated Funds (OMB Schedule Item No. 3).

RESOLUTION NO. 184-2018
Said Resolution is incorporated herein by reference.

Receipt of Unanticipated Funds (OMB Schedule Item No. 4).

RESOLUTION NO. 185-2018
Said Resolution is incorporated herein by reference.

Receipt of Unanticipated Funds (OMB Schedule Item No. 5).

RESOLUTION NO. 186-2018
Said Resolution is incorporated herein by reference.

Receipt of Unanticipated Funds (OMB Schedule Item No. 6).

RESOLUTION NO. 187-2018
Said Resolution is incorporated herein by reference.

Receipt of Unanticipated Funds (OMB Schedule Item No. 7).

RESOLUTION NO. 188-2018
Said Resolution is incorporated herein by reference.

Receipt of Unanticipated Funds (OMB Schedule Item No. 8).

RESOLUTION NO. 189-2018
Said Resolution is incorporated herein by reference.

Receipt of Unanticipated Funds (OMB Schedule Item No. 9).

RESOLUTION NO. 190-2018
Said Resolution is incorporated herein by reference.

Receipt of Unanticipated Funds (OMB Schedule Item No. 10).

RESOLUTION NO. 191-2018
Said Resolution is incorporated herein by reference.

Transfer of Funds (OMB Schedule Item No. 11).

RESOLUTION NO. 192-2018
Said Resolution is incorporated herein by reference.

Transfer of Funds (OMB Schedule Item No. 12).

RESOLUTION NO. 193-2018
Said Resolution is incorporated herein by reference.

Transfer of Funds (OMB Schedule Item No. 13).

RESOLUTION NO. 194-2018
Said Resolution is incorporated herein by reference.

C24 Board granted approval of the acceptance of funds allocated to the Monroe County Public Library, Key West Branch, through the Amendment and Restatement of the George
Louis DeCoster Declaration of Trust, and approval for the County Administrator to sign all related documents.

C25 Board granted approval and authorized execution of the First Renewal and Amendment 1 to Agreement with Keys Security, Inc. for security services for Duck Key Security District.

C26 Board granted approval of the Revised Purchasing Policy which includes changes that are necessary due to the recent memorandum, dated June 20, 2018, from the Executive Office of the President, OMB, Office of Federal Financial Management regarding changes to the micro-purchase thresholds.

**HURRICANE IRMA RECOVERY**

D4 Board granted approval to submit Hazard Mitigation Grant Program (HMGP) application for Acquisition and Demolition in the amount of $10,000,000.00 for buyouts of flood-prone properties owned by private individuals willing to sell, using Community Development Block Grant funding as 25% match.

D5 Board granted approval to submit Hazard Mitigation Grant Program (HMGP) application for Elevation and Reconstruction Projects in the amount of up to $4,000,000.00 for properties owned by private individuals, using Community Development Block Grant funding as 25% match.

D6 Board granted approval for the Mayor to sign transfer of title for County Vehicle No. 0920-9025, 2017 Look Trailer VIN# 53BLTEA24HUO25328 to Florida League of Cities Inc. for the settlement amount of $3,811.03. This vehicle was totaled by Hurricane Irma.

D7 Board granted approval to advertise for lighted box signs at the Florida Keys Marathon International Airport. The current box signs sustained substantial damage from Hurricane Irma and require immediate replacement.

D8 Board granted approval for the Mayor to sign transfer of title for County Vehicle No. 0940-581, 2003 Ford F-350, VIN# 1FTSF3OP13EC02438 to Florida League of Cities, Inc. for the settlement amount of $6,619.83. This vehicle was totaled by Hurricane Irma.

D9 Board granted approval of cumulative invoices over $50,000.00 relating to the declared State of Local Emergency on September 5, 2017 due to Hurricane Irma, in accordance with Monroe County Code Section 2-347(k) and Chapter 7 (B.) Emergency Purchases of the Monroe County Purchasing Policy.

D13 Board granted approval and authorized execution of an Amendment to Task Order Three for Disaster Response and Recovery Services with DRC Emergency Services, LLC for Hurricane Irma which revises the tipping fee from $47.00 to $49.00 per ton for the Waste Management Facility in Homestead, FL.
D15  Board granted approval to ratify the Contract with Global Disaster Recovery, Inc. (GDR) for the Mold Remediation of the Old Courthouse following water damages by Hurricane Irma. Contract in the amount of $89,643.39 was executed by the Mayor on June 13, 2018.

D16  Board granted approval to submit five (5) applications under the Hazard Mitigation Grant Program, following Hurricane Irma, to seek up to 75% of the funding to protect critical County facilities from damage faced from natural hazards. Authorization sought for the County Administrator's signature to submit the applications to the Florida Division of Emergency Management prior to August 6, 2018.

D17  Report of Hurricane Irma finance activity by the Office of Management and Budget.

D18  Board adopted the following Resolution approving the expenditure of the $3.99 million Fiscal Year 2017/18 Keys Stewardship funds and $1.5 million Fiscal Year 2018/19 Keys Stewardship funds, totaling $5.49 million, towards Monroe County's local cost share match of $7,930,383.00 under USDA NRCS Grant NR184209XXXXC27 for marine debris removal and related services resulting from Hurricane Irma; providing for an effective date.

RESOLUTION NO. 195-2018
Said Resolution is incorporated herein by reference.

TAX COLLECTOR

E1  Board granted approval to extend the 2018 Tax Roll and mail the bills prior to completion of the Value Adjustment Board Hearing.

TOURIST DEVELOPMENT COUNCIL

F1  Board granted approval and authorized execution of an Agreement with Monroe Council of the Arts, d/b/a Florida Keys Council of the Arts to supplement cost of tourist related programs.

F2  Board granted approval and authorized execution of an Agreement with Florida Keys Fishing Tournaments, Inc. to oversee the TDC Fishing Umbrella, an advisory committee to make recommendations to the TDC and BOCC concerning funding for tourism related activities and marketing.

F3  Board granted approval to exercise exemption of competitive solicitation requirement for professional services and enter into Agreement with JDO Insights, Inc. to provide Visitor Profile Survey Services.

F4  Board granted approval and authorized execution of an Amendment to Agreement with City of Marathon for the Sombrero Beach Facilities Upgrade project to amend expiration date of Agreement to December 31, 2018.
F5  Board granted approval and authorized execution of an Amendment to Agreement with City of Marathon for the Coco Plum Shoreline Restoration project to amend expiration date of Agreement to December 31, 2018.

F6  Board granted approval and authorized execution of an Amendment to Agreement with City of Marathon for the Amphitheatre Improvements project to amend expiration date of Agreement to December 31, 2018.

PLANNING & ENVIRONMENTAL, BUILDING & CODE COMPLIANCE DEPARTMENTS

J2  Board granted approval and authorized execution of Amendment No. 9 (Amendment) to the Agreement between Monroe County (County) and Pumpout USA, Inc. (Contractor) for Keys-Wide Mobile Vessel Pumpout Service (Pumpout Service), which is 1) contingent upon sufficient funding sources and levels required, and 2) providing for the term of the Amendment from July 1, 2018 through June 30, 2019.

J3  Board granted approval and authorized execution of Work Order #004 in the amount of $50,000.00 under the Transportation Planning Services contract with AECOM Technical Services, Inc., funded at 100% through a Joint Participation Agreement (JPA) from the Florida Department of Transportation (FDOT).

J4  Board granted approval and authorized execution of Work Order #005 in the amount of $50,000.00 under the 4 year Transportation Planning Services contract with AECOM Technical Services, Inc., for the review of private development permit applications, funded by private development applicants.

J5  Board granted approval and authorized execution of an Interlocal Agreement (ILA) between Monroe County (County) and the Village of Islamorada (City) reimbursing the City in an amount up to $10,000.00 from Boating Improvement Funds (BIF) for costs to be incurred by the City during Fiscal Year 2019 for regulatory buoy maintenance.

J6  Board granted approval and authorized execution of the Department of Environmental Protection (DEP) Agreement No.MV279 between Monroe County (County) and the DEP providing $180,000 in Clean Vessel Act (CVA) reimbursement funding to the County to assist with funding the County's Mobile Vessel Pumpout Service (Pumpout Service) for one year of operation from July 1, 2018 through June 30, 2019.

J8  Board granted approval and authorized execution of a Contract with Underwater Engineering Services, Inc. for Removal, Refloating and/or Demolition and Disposal of Derelict Vessels, Floating Structures and Marine Debris.

J9  Board granted approval and authorized execution of a Contract with Arnold's Auto & Marine Repair, Inc. for Removal, Refloating and/or Demolition and Disposal of Derelict Vessels, Floating Structures and Marine Debris.
J10  Board granted approval and authorized execution of a Contract with Coffin Marine Services, Inc. for Removal, Refloating and/or Demolition and Disposal of Derelict Vessels, Floating Structures and Marine Debris.

J11  Board granted approval and authorized execution of a Contract with Lower Keys Marine Towing and Salvage, Inc. for Removal, Refloating and/or Demolition and Disposal of Derelict Vessels, Floating Structures and Marine Debris.

J12  Board granted approval and authorized execution of a Contract with Coral Construction Company, Inc. for Removal, Refloating and/or Demolition and Disposal of Derelict Vessels, Floating Structures and Marine Debris.

J13  Board granted approval and authorized execution of a Contract with American Underwater Contractors, Inc. for Removal, Refloating and/or Demolition and Disposal of Derelict Vessels, Floating Structures and Marine Debris.

HOUSING AUTHORITY

K1  Board granted approval of the Governor's reappointment of Aaron Castillo and the appointment of Patrick Labrada to the Monroe County Housing Authority Board of Commissioners.

COMMISSIONER'S ITEMS

L1  Board granted approval of Commissioner Neugent's appointment of Kristen Livengood to the Planning Commission, fulfilling the term of Beth Ramsay-Vickrey, who has resigned effective August 23, 2018. Ms. Livengood's first Planning Commission meeting will be September 26, 2018.

COUNTY CLERK

M1  Board granted approval of the correction to the October 17, 2007 minutes and duplicated Resolution numbers. The minutes duplicated four Resolution numbers that were assigned at the September 21, 2007 meeting (Resolution No. 360-2007 to Resolution No. 363-2007).

M2  Board granted approval of the correction to the October 17, 2014 BOCC minutes.

M3  Board granted approval BOCC Warrants (Including Payroll), for the month of June 2018, 10038450-10039680, 50004275-50004368 (PR), 3096735-3097835 (PR Voucher), 23434-23560 (WC), as follows: 001 General Fund, in the amount of $2,655,583.66; 101 Fine & Forfeiture Fund, in the amount of $4,155,345.36; 102 Road & Bridge Fund, in the amount of $489,574.10; 115 TDC District Two Penny, in the amount of $613,482.69; 116 TDC Admin & Promo 2 Cent, in the amount of $657,515.60; 117 TDC District 1,3 Cent, in the amount of $968,712.07; 118 TDC District 2,3 Cent, in the amount of $76,146.76; 119 TDC District 3,3 Cent, in the amount of $635,194.58; 120 TDC District 4,3 Cent, in the amount of $149,019.04; 121 TDC District 5,3 Cent, in the amount of $207,634.16; 125 Gov Fund Type Grants, in the
amount of $1,657,449.47; 141 Fire & Amb Dist 1 L&M Keys, in the amount of $759,904.10; 147 Uninc Svc Dist Parks&Rec, in the amount of $147,195.95; 148 Plan, Build, Zoning, in the amount of $376,095.16; 149 Municipal Policing, in the amount of $555,679.74; 150 E911 Enhancement Fund, in the amount of $78,188.78; 152 Duck Key Security Dist, in the amount of $52,547.95; 153 Local Housing Assistance, in the amount of $60,954.00; 157 Boating Improvement Fund, in the amount of $11,550.00; 158 Misc Special Revenue Fund, in the amount of $30,031.35; 160 Environmental Restoration, in the amount of $46,977.87; 162 Law Enforcement Trust 600, in the amount of $7,500.00; 163 Court Facilities, in the amount of $9,859.83; 164 Drug Facilities Fees, in the amount of $5,272.11; 171 Stock Island Wastewater, in the amount of $29,724.70; 180 Building Funds, in the amount of $528,401.00; 304 1 Cent Infra Surtax, in the amount of $545,224.33; 308 Infrastructure Sales Tax Revenue Bond, in the amount of $304.28; 310 Big Coppitt Wastewater, in the amount of $16.63; 311 Duck Key Wastewater, in the amount of $16.63; 312 Cudjoe Regional WW Proj, in the amount of $6,733.38; 314 Series 2014 Revenue Bonds, in the amount of $124,693.26; 316 Land Acquisition, in the amount of $577,378.92; 401 Card Sound Bridge, in the amount of $35,075.21; 403 Marathon Airport, in the amount of $157,890.69; 404 Key West Intl Airport, in the amount of $669,020.91; 406 PFC & Operating Restrictions, in the amount of $909,105.75; 414 MSD Solid Waste, in the amount of $921,634.31; 501 Worker’s Compensation, in the amount of $302,394.90; 502 Group Insurance Fund, in the amount of $2,155,888.63; 503 Risk Management Fund, in the amount of $1,083,554.36; 504 Fleet Management Fund, in the amount of $157,145.78.

M4 Board granted approval of FKAA invoices $50,000 or over for the fiscal year (to include salaries), relating to the Cudjoe Regional Wastewater System Project.

M5 Board granted approval of FKAA invoices $50,000 or over for the fiscal year (to include salaries), relating to the Cudjoe Regional Wastewater System Project. The invoices under $50,000 are being provided for information only.

M6 Board granted approval of Tourist Development Council expenses for the month of June 2018, as follows: Advertising, in the amount of $1,587,934.00; Bricks & Mortar Projects, in the amount of $872,625.77; Events, in the amount of $374,873.35; Office Supplies & Operating Costs, in the amount of $21,025.02; Personnel Services, in the amount of $107,307.43; Public Relations, in the amount of $39,644.46; Sales & Marketing, in the amount of $35,504.22; Telephone & Utilities, in the amount of $15,311.38; Travel, in the amount of $9,690.47; Visitor Information Services, in the amount of $79,509.36.


M8 Board granted approval to declare fixed assets as surplus and allow them to be disposed of. Said list is incorporated herein by reference.
COUNTY ADMINISTRATOR

N2 Board granted approval of a Grant Agreement with the Florida Department of Environmental Protection as part of the Coastal Partnership Initiative to conduct a sea level rise vulnerability assessment of the County's Harry Harris Park, receiving $15,000.00 in grant funds and providing $15,000.00 in match funds budgeted for Fiscal Year 2018, and authorize the County Administrator to sign the agreement.

COUNTY ATTORNEY

O4 Board granted approval to accept proposal for renewal of Airport Liability Insurance from ACE Property and Casualty Ins. Co. through Arthur J. Gallagher & Co. with annual premium of $35,905.00, and for the Risk Administrator to sign all necessary forms.

Motion carried unanimously.

MISCELLANEOUS BULK APPROVALS

C5 Kevin Wilson, Assistant County Administrator; Bob Shillinger, County Attorney; and Roman Gastesi, County Administrator addressed the Board concerning approval to award to highest ranked respondent and enter into a Contract with West Construction, Inc. and authorization for the Mayor to execute contract for the construction of the Cudjoe Key New Fire Station #11 in the amount of $4,002,389.00. Funded by the one cent infrastructure sales tax. The following individual addressed the Board: David Martinez, representing Burke Construction Group. After discussion, motion was made by Commissioner Murphy and seconded by Commissioner Kolhage to award the contract and bring the contract back at a later date for execution. Roll call vote carried unanimously.

HURRICANE IRMA RECOVERY

D1 Christine Hurley, Assistant County Administrator, addressed the Board concerning the presentation by Hurricane Irma Long-term Recovery Group. Stephanie Kaple, Chair, Florida Keys Outreach Coalition, Inc., addressed the Board. Michelle Luckett made a Power Point Presentation. After discussion, motion was made by Commissioner Murphy and seconded by Commissioner Neugent permitting staff to work with the Recovery Group on a potential short term lease, maybe two years, for them to use the Habitat Restore property site for temporary lodging. Motion carried unanimously.

COUNTY ATTORNEY

O5 Mr. Shillinger and Ms. Hurley addressed the Board concerning direction on whether to build housing on the County owned property located at 5501 College Road, Stock Island (MCSO Headquarters and Jail) for Sheriff’s deputies and other first responders. The following individuals addressed the Board: Sheriff Rick Ramsay, representing the Monroe County Sheriff’s Office; Jim Scholl, representing the City of Key West; and Bart Smith, representing Sunset Apartments. After discussion, motion was made by Commissioner Murphy and seconded by
Commissioner Neugent approving the item and directing staff to do all the necessary work. Roll call vote carried unanimously.

Mr. Shillinger and Mr. Gastesi addressed the Board concerning direction to terminate the use of the County Jail property for KOTS as of September 27, 2018 and authorization to assist the City in locating an alternative site within the city limits. The following individuals addressed the Board: Jim Scholl, representing the City of Key West; Bart Smith, representing Sunset Apartments; and Sheriff Rick Ramsay, representing the Monroe County Sheriff’s Office. After discussion, Board directed Mr. Gastesi to work with the Sheriff and Mr. Scholl to find an alternative site; for Mr. Gastesi to include an update in his monthly report; and to have a report on progress every 90 days in Key West. After further discussion, motion was made by Commissioner Neugent and seconded by Commissioner Carruthers to extend the termination date to September 27, 2019. Roll call vote carried unanimously.

COMMISSIONER’S ITEMS

Dr. Steve Davis, Senior Ecologist with Everglades Foundation, made a Power Point Presentation on canals that are exhibiting signs of reduced dissolved Oxygen due to debris from Hurricane Irma. It appears to be causing horrific effects to canal and near-shore water quality. Rhonda Haag, Sustainability Director, addressed the Board.

PLANNING & ENVIRONMENTAL, BUILDING & CODE COMPLIANCE DEPARTMENTS

Motion was made by Commissioner Carruthers and seconded by Commissioner Neugent to adopt the following two Resolutions (Item R2 & R3):

R2 Resolution by the Monroe County Board of County Commissioners approving the extension of reservations for one hundred and four (104) affordable housing dwelling unit allocations consisting of one (1) very low income, fifty-one (51) low income, twenty (20) median income and thirty-two (32) moderate income allocations, for a proposed affordable dwelling unit development by Quarry Partners, LLC at property located at approximate mile marker 9, described as a parcel of land in Section 21, Township 67 South, Range 26 East, Big Coppitt Key, Monroe County, Florida, having real estate numbers 00120940-000100, 00120940-000201, and 00120940-000302, until July 1, 2019 for building permit issuance.

RESOLUTION NO. 196-2018
Said Resolution is incorporated herein by reference.

R3 Resolution by the Monroe County Board of County Commissioners approving the reservation extension of one hundred and four (104) affordable housing allocation awards pursuant to the 380 Agreement with the state and municipalities to transfer 104 Key West BPAS units to Monroe County for the proposed affordable housing project known as “the Quarry”, by Quarry Partners, LLC at property located at approximate mile marker 9, described as a parcel of land in Section 21, Township 67 South, Range 26 East, Big Coppitt Key, Monroe County,
Florida, having real estate numbers 00120940-000100, 00120940-000201, and 00120940-000302, until July 1, 2019 for building permit issuance.

**RESOLUTION NO. 197-2018**
Said Resolution is incorporated herein by reference.

Roll call vote carried unanimously.

**PLANNING & ENVIRONMENTAL, BUILDING & CODE COMPLIANCE DEPARTMENTS**

J1 Rich Jones, Senior Administrator, Marine Resources, made a Power Point Presentation regarding consideration of establishing a Slow Speed/Minimum Wake boating restricted area for the entirety of the Duck Key canal system and associated boat basins. The following individual addressed the Board: Sylvia Hernandez, representing Duck Key Security Advisory Board. After discussion, motion was made by Commissioner Neugent and seconded by Commissioner Murphy to proceed with the slow speed zone processing. Motion carried unanimously.

**MISCELLANEOUS BULK APPROVALS**

C16 Brian Cook, Employee Services Director, addressed the Board concerning approval of a Resolution authorizing a change in Section 4.10 Temporary Higher Classification of the Personnel Policy and Procedures Manual. After discussion, motion was made by Commissioner Murphy and seconded by Commissioner Neugent to adopt the following Resolution with the following revisions, (in addition to the requested changes):

**4.10 TEMPORARY HIGHER CLASSIFICATION**

Due to a vacancy of a budgeted position an employee may be assigned full-time to work in a higher classification up to one year, unless otherwise determined by the County Administrator. An employee required to work in a higher classification 14 consecutive calendar days or less may be required to do so at no increase in pay. If the employee is required to work beyond this period, he or she should be given a temporary transfer to the higher classification and be paid the greater of the minimum salary of the pay range or a 5% salary increase per higher level pay grade (whichever is greater) beginning on day 15. At the conclusion of the assignment, pay shall revert to the authorized rate established for his regular position. Any such temporary increase granted shall not affect the employee's eligibility for normal salary advancement.

One or more employees may be temporarily assigned duties/responsibilities of a vacant budgeted position, which have a substantive impact on an employee’s daily work life, are outside the normal scope, and require a new skill set. An employee assigned such duties/responsibilities for 14 consecutive calendar days or less may be required to do so at no increase in pay. If the employee(s) is required to work beyond this period, the employee(s) will be given a temporary adjustment in pay of 3% beginning on day 15. At the
conclusion of the assignment, pay shall revert to the authorized rate established for his/her regular position. Any such temporary increase granted shall not affect the employee’s eligibility for normal salary advancement.

Motion carried unanimously.

RESOLUTION NO. 198-2018

Said Resolution is incorporated herein by reference.

C17 Mr. Gastesi and Mr. Cook and Cynthia Hall, Assistant County Attorney, addressed the Board concerning approval of a Resolution adding Section 21 to the Personnel Policies and Procedures Manual, establishing the Emergency Management Expectations Policy. After discussion, motion was made by Commissioner Murphy and seconded by Commissioner Carruthers to adopt the following Resolution. Motion carried unanimously.

RESOLUTION NO. 199-2018

Said Resolution is incorporated herein by reference.

HURRICANE IRMA RECOVERY

D14 Motion was made by Commissioner Kolhage and seconded by Commissioner Neugent granting approval to seek additional documentation, which was left out by the lowest bidder, A-1 Property Services, for the Tavernier Fire Station Roof Replacement and enter into a contract if sufficient documentation is provided. A-1 Property Services bid is for $119,500.00. If documentation is not sufficient, staff seeks approval to award to the higher bidder, Roofing By Ruff, Inc., who submitted a bid of $272,000.00. The contract is to replace the roof on the Tavernier Fire Station which was partially removed during Hurricane Irma. Roll call vote carried unanimously.

PLANNING & ENVIRONMENTAL, BUILDING & CODE COMPLIANCE DEPARTMENTS

J7 Steve Williams, Assistant County Attorney; Mr. Shillinger and Ms. Hurley addressed the Board concerning approval of Contract Amendment #2 with Host Compliance for a two year extension, at a credited amount to the original contract for a software system that provides information regarding vacation rental activity. After discussion, motion was made by Commissioner Carruthers and seconded by Commissioner Murphy granting approval and authorizing execution of the item. Motion carried unanimously.

COUNTY ATTORNEY

O2 Mr. Shillinger addressed the Board concerning approval of an Interlocal Agreement with the City of Marathon to transfer eighteen (18) affordable allocations from the County to the City for use at the St. Columba project on the condition that the eighteen (18) existing market rate allocations harvested from that site can only be used in the unincorporated area of the County. The following individual addressed the Board: Franklin Greenman, representing St.
Columba Episcopal Church. After discussion, motion was made by Commissioner Neugent and seconded by Commissioner Kolhage granting approval and authorizing execution of the item. Roll call vote carried unanimously.

O3 Mr. Shillinger and Ms. Hurley addressed the Board concerning direction regarding a request from the City of Marathon to transfer 11 affordable ROGO allocations to the City of Marathon for the IMBY Project. The following individuals addressed the Board: Joshua Mothner, representing IMBY, Inc.; and George Garrett and Chuck Lindsey, representing the City of Marathon. After discussion, Board directed staff to negotiate an ILA that is mutually acceptable that provides the City with the 11 affordables and provides the County with acceptable compensation. Roll call vote carried unanimously.

**HURRICANE IRMA RECOVERY**

D2 Ms. Haag made a Power Point Presentation concerning approval of a Contract with the #1 ranked vendor, Adventure Environmental, Inc., in an amount not to exceed $35 million for removal of marine debris created by Hurricane Irma from canals in unincorporated Monroe County, City of Marathon and Village of Islamorada; also, authority to negotiate and enter into a contract with the next highest vendor(s), in rank order, if necessary. Ms. Hall addressed the Board. The following individuals addressed the Board: Greg Tolpin and Chris Colarusso, representing Adventure Environmental; Frank Fernandez and William Hodges, representing ATL Diversified; Bart Smith, representing Ashbritt; Mike Warmuth, representing Adventure Environmental; Ricky Arnold, Jr. and Doris Arnold, representing Arnold’s Towing; and George Garrett, representing the City of Marathon. After discussion, motion was made by Commissioner Murphy and seconded by Commissioner Kolhage granting approval and authorizing execution of the item. Roll call vote carried unanimously.

Motion was made by Commissioner Carruthers and seconded by Commissioner Neugent granting approval and authorizing execution of the following four items (D3, D10, D11 and D12):

D3 Approval to enter into a $49,257,802.90 Grant Agreement from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) for marine debris removal, administrative and related services, of which $37,802,499.90 is reimbursable by NRCS and $11,455,303.00 is required as local cost share; and approval for the County Administrator to execute the Agreement and related documents.

D10 Approval to enter into a Contract with Wood Environment and Infrastructure Solutions, Inc. for marine debris monitoring services as a result of Hurricane Irma. 100% Cost reimbursement is anticipated to be provided by USDA - Natural Resources Conservation Service (NRCS) as part of their Emergency Watershed Protection (EWP) Program in an amount not to exceed $3.1 million.

D11 Approval to enter into a revenue based $6,919,689.00 Interlocal Agreement with Islamorada, Village of Islands, for its share of the $49,257,802.90 grant agreement from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) for marine debris removal, monitoring, administrative and related services; of which
$5,272,144 is reimbursable by NRCS to Islamorada and $1,647,545 is required as Islamorada's local cost share; and approval for the County Administrator to execute the Agreement and related documents.

D12 Approval to enter into a revenue based $7,884,975.00 Interlocal Agreement with the City of Marathon for its share of the $49,257,802.90 grant agreement from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) for marine debris removal, monitoring, administrative and related services; of which $6,007,600 is reimbursable by NRCS to Marathon and $1,877,375 is required as Marathon's local cost share; and approval for the County Administrator to execute the Agreement and related documents.

Roll call vote carried unanimously.

PUBLIC HEARINGS

P1 A Public Hearing was held pursuant to Section 102-108 concerning a request for a Beneficial Use Determination by Patricia J. Edwards and Henry A. Olynger for property legally described as Lot 1, Tract A, Ramrod Shores Third Addition (PB6-108), Ramrod Key, Monroe County, Florida having real estate number 00209971-004600. All speakers were sworn in under oath by Pamela Hancock, D.C., Monroe County Clerk’s Office. Van Fischer, Esquire, VDF Law PLLC, representing the applicants addressed the Board. Derek Howard, Assistant County Attorney; and Mr. Shillinger addressed the Board. The following individuals addressed the Board: John Slattery, Susan Slattery, Will Fox, Mark Oliver, representing Henry Olynger; Esteban Madruga, and Gregory R. Hojrowski. After discussion, motion was made by Commissioner Murphy and seconded by Commissioner Kolhage granting approval of the Recommended Order by Administrative Law Judge Francine M. Ffolkes, dated March 27, 2018, denying application for Beneficial Use Determination relief under Section 102-104. Roll call vote carried unanimously.

P5 A Public Hearing was held concerning approval of a Resolution renouncing and disclaiming any right of the County and the public in and to a portion of the right-of-way of Big Pine Street, as shown on the plat of Big Pine Shores, Plat Book 5, Page 20, bounded on the north by Block 1, Lot 8, Big Pine Shores PB5-20; bounded on the west by Big Pine Street; bounded on the south by the southern platted boundary of Big Pine Street according to the plat of Big Pine Shores PB5-20; and bounded on the east by the platted boundary of Big Pine Street according to the plat of Big Pine Shores; Big Pine Key, Monroe County, Florida. There were no public speakers. Motion was made by Commissioner Neugent and seconded by Commissioner Murphy to adopt the following Resolution. Motion carried unanimously.

RESOLUTION NO. 200-2018

Said Resolution is incorporated herein by reference.

P6 A Public Hearing was held concerning approval of a Resolution renouncing and disclaiming any right of the County and the public in and to a portion of the right-of-way of East First Street, as shown on the plat of MANDALAY, Plat Book 1, Page 194, bounded on
the north by Block 2, Lots 26, 27, 28, & 29; bounded on the west by the portion of East First Street previously abandoned by BOCC Resolution 603-2006; bounded on the south by Block 3, and 36 East Second Street 22; and bounded on the east by East First Street; Key Largo, Monroe County, Florida. There were no public speakers. Motion was made by Commissioner Neugent and seconded by Commissioner Murphy to adopt the following Resolution. Motion carried unanimously.

RESOLUTION NO. 201-2018
Said Resolution is incorporated herein by reference.

P7 A Public Hearing was held concerning approval of a Resolution renouncing and disclaiming any right of the County and the public in and to a portion of the right-of-way of Bow Road and an unnamed alley, as shown on the plat of SUGARLOAF TOWNSITE, Plat Book 3, Page 180, bounded on the west by Lots 27, 28, 29, 30, & 31; bounded on the north by US1; bounded on the east by an unplatted parcel in Section 31, Township 66 South and Range 28 East; and bounded on the south by Kings Row; Monroe County, Florida. There were no public speakers. Motion was made by Commissioner Murphy and seconded by Commissioner Neugent to adopt the following Resolution. Motion carried unanimously.

RESOLUTION NO. 202-2018
Said Resolution is incorporated herein by reference.

P4 A Public Hearing was held concerning approval of an Ordinance creating the Middle Keys Health Care Municipal Service Taxing Unit, for the purpose of levying and collecting ad valorem taxes for indigent health care costs at Fishermen's Community Hospital in Marathon, Florida. Ms. Hall and Mr. Shillinger addressed the Board. The following individuals addressed the Board: James Lounand, Chairman, Fishermen's Baptist Hospital Foundation; Jay Hershoff, representing Fishermen's Hospital; Sylvia Hernandez, representing Duck Key Security Advisory Board; Thomas Ryan, Philip Kircher, William Knetge, Alice Anderson, Sherry Popham, Beth Smith, Robert Belcaston, Michael Puto, Ronna Martino, George Garrett, representing Rotary of Marathon; Daniel Samess, representing Marathon Chamber of Commerce; Peter Chapman, Elizabeth Lefler, David Grego, representing the Board of Realtors; (Marathon) Councilman Mark Senmartin, Cynthia Winterhalter, Carolyn Maki, Bettye Chaplin, Charlotte Quinn, Lois Grayden, Mary Balazs, Robert Barnes, and Mayor Michelle Coldiron, representing the City of Marathon. After discussion, motion was made by Commissioner Murphy and seconded by Commissioner Neugent to adopt the following Ordinance. Roll call vote carried unanimously.

ORDINANCE NO. 012-2018
Said Ordinance is incorporated herein by reference.

P2 A Public Hearing was held to consider approval of a Resolution of the Board of County Commissioners of Monroe County, Florida, amending interim development Ordinance 011-2017 to reduce its scope, to allow new applications or received applications that have not been fully approved, to utilize Monroe County Code Section 139-2 (Affordable Housing Incentive Program) or Section 138-22(b) (Transfer of ROGO exemptions) to transfer Market Rate

16 | Page 07/18/2018
ROGO exemptions only to Tier III platted lots within the Improved Subdivision (IS) or Urban Residential Mobile-Home (URM) Land Use District and within the same ROGO planning subarea for the development of single family detached dwelling units and the receiver site shall not be a working waterfront, as recommended by the Affordable Housing Advisory Committee and the BOCC; providing for severability, providing for transmittal to the State Land Planning Agency and the Secretary of State, providing for an effective date. Emily Schemper, Acting Senior Director of Planning & Environmental Resources, addressed the Board. There were no public speakers. After discussion, motion was made by Commissioner Kolhage and seconded by Commissioner Carruthers to adopt the following Resolution. Motion carried unanimously.

RESOLUTION NO. 203-2018
Said Resolution is incorporated herein by reference.

P3 A Public Hearing was held to consider adoption of an Ordinance revising Section 19-33 of the Monroe County Code to allow for right-of-way permits to be issued to corporations in addition to property owners and property/homeowners associations. There were no public speakers. Motion was made by Commissioner Murphy and seconded by Commissioner Neugent to adopt the following Ordinance. Motion carried unanimously.

ORDINANCE NO. 013-2018
Said Ordinance is incorporated herein by reference.

P8 A Public Hearing to consider adoption of an Ordinance abolishing the Monroe County Municipal Service District which was created for purposes of providing garbage, trash, waste collection and disposal and which was replaced by the Monroe County Solid Waste Municipal Service Benefit Unit in 1989, but was never formally abolished and approval of a Resolution to authorize staff to dissolve District accounts, property and contracts. Mr. Shillinger addressed the Board. There were no public speakers. Motion was made by Commissioner Neugent and seconded by Commissioner Murphy to adopt the following Ordinance and Resolution. Motion carried unanimously.

ORDINANCE NO. 014-2018
Said Ordinance is incorporated herein by reference.

RESOLUTION NO. 204-2018
Said Resolution is incorporated herein by reference.

P9 A Public Hearing was held to consider adoption of an Ordinance by the Monroe County Board of County Commissioners amending Chapter 26 ("Waterways") of the Monroe County Code of Ordinances to create Article VIII ("Floating Structures"); providing for prohibition of floating structures in County waters. Ms. Hurley, Mr. Wilson, Mr. Shillinger, Mr. Jones and Mr. Morris addressed the Board. There were no public speakers. Motion was made by Commissioner Murphy and seconded by Commissioner Neugent to adopt the following Ordinance. Motion carried unanimously.
ORDINANCE NO. 015-2018
Said Ordinance is incorporated herein by reference.

COUNTY ADMINISTRATOR

N1. Mr. Gastesi referred the Board to the County Administrator's Report for July 2018. Said report is incorporated herein by reference. Mr. Gastesi advised the Board that he will be meeting with each Commissioner prior to the Budget Hearing scheduled on July 31, 2018.

COUNTY ATTORNEY

O1 Mr. Shillinger referred the Board to the County Attorney Report for July 2018. Said report is incorporated herein by reference. Mr. Shillinger advised the Board that the closed captioning on MCTV was up and running today.

COMMISSIONER'S COMMENTS

Q1 Commissioner Kolhage advised the Board that Ms. Schemper will be bringing back to the Board potential options for Comprehensive Plan and Code amendments that would allow certain properties that are not a part of a plat within Improved Subdivisions to develop a house.

There being no further business, the meeting of the Board of County Commissioners was adjourned.

Kevin Madok, CPA, Clerk
and ex-officio Clerk to the
Board of County Commissioners
Monroe County, Florida

Pamela C. Hancock, D.C.
TAB 10
DISCLOSURE LETTER

The undersigned, as Lender, proposes to negotiate with Islamorada, Village of Islands, Florida (the "Village") for the private purchase of its not to exceed $7,500,000 Grant Proceeds Note, Series 2018 ("Series 2018 Note"). Prior to the award of the Series 2018 Note, the following information is hereby furnished to the Village:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Lender") in connection with the issuance of the Series 2018 Note (such fees and expenses to be paid by the Village):

   $2,500
   Legal Fees

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Lender in connection with the issuance of the Series 2018 Note to any person not regularly employed or retained by the Lender (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Lender, as set forth in paragraph (1) above.

   (b) No person has entered into an understanding with the Lender, or to the knowledge of the Lender, with the Village, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Village and the Lender or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2018 Note.

3. The amount of the underwriting spread expected to be realized by the Lender is $0.

4. The management fee to be charged by the Lender is $0.

5. Truth-in-Bonding Statement:

The Series 2018 Note is being issued primarily to pay the costs of financing the Project.

Unless earlier prepaid, the Series 2018 Note is expected to be repaid by October 1, 2024; at an interest rate of 2.90%, total interest paid over the life of the Series 2018 Note is estimated to be $600,561.23.
The Series 2018 Note will be payable solely from the Pledged Revenues in the manner and to the extent described in Resolution No. 18-10-107 of the Village adopted on October 18, 2018 (the "Resolution"). See the Resolution for a definition of Pledged Revenues. Issuance of the Series 2018 Note is estimated to result in an annual maximum of approximately $2,518,729.17 of revenues of the Village not being available to finance the services of the Village during the life of the Series 2018 Note. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

6. The name and address of the Lender is as follows:
   Centennial Bank
   81541 Old Highway
   Islamorada, Florida 33036
   Attention: Vice President and Commercial Loan Officer

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Lender this 26th day of October, 2018.

CENTENNIAL BANK
By: [Signature]
Name: Jack Thorley
Title: Vice President and Commercial Loan Officer
LENDER'S CERTIFICATE

This is to certify that Centennial Bank, or its assignee (the "Lender") has not required Islamorada, Village of Islands, Florida (the "Village") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Village in connection with the issuance by the Village of its not to exceed $7,500,000 Grant Proceeds Note, Series 2018 (the "Series 2018 Note"), and no inference should be drawn that the Lender, in the acceptance of said Series 2018 Note, is relying on Bond Counsel or the Village Attorney as to any such matters other than the legal opinions rendered by Bond Counsel and by the Village Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 18-10-107 adopted by the Village Council of the Village on October 18, 2018 (the "Resolution").

We are aware that investment in the Series 2018 Note involves various risks, that the Series 2018 Note is not a general obligation of the Village or payable from ad valorem tax revenues, and that the payment of the Series 2018 Note is secured solely from the sources described in the Resolution (the "Pledged Revenues").

We have made such independent investigation of the Pledged Revenues as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our investment decision, we have relied upon the accuracy of information which has been provided to us.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 2018 Note and can bear the economic risk of our investment in the Series 2018 Note.

We acknowledge and understand that the Village has determined that the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and that the Series 2018 Note is not required to be registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Village, Bond Counsel nor the Village Attorney shall have any obligation to effect any such registration or qualification.

The Series 2018 Note has been purchased for the account of the Lender for investment purposes only and not with a present view to the distribution, transfer or resale thereof. The Lender intends to hold and book the Series 2018 Note as a loan in its loan portfolio; the Lender acknowledges that the use of the word "note" in the name of the debt instrument is not intended to indicate that the instrument is or is not a security within the meaning of the Securities Act of 1933. The Lender currently intends to hold such Series 2018 Note for its own account and for an indefinite period of time and does not currently intend to dispose of all or any portion of such
Series 2018 Note. The Lender hereby covenants that if the Lender subsequently decides to distribute or resell the Series 2018 Note, it shall comply in all respects with all laws then applicable with respect to any such distribution or resale. We understand that the Series 2018 Note may not be transferred in a denomination less than the par amount outstanding at the time of transfer.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Series 2018 Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are an "accredited investor" within the meaning of the Securities Act of 1933, as amended, and Regulation D thereunder.

DATED this 26th of October, 2018.

CENTENNIAL BANK

By: Jack Thorley
Name: Jack Thorley
Title: Vice President and Commercial Loan Officer
ANY OWNER SHALL, PRIOR TO BECOMING AN OWNER, EXECUTE A LENDER'S CERTIFICATE IN THE FORM ATTACHED TO THE RESOLUTION (HEREIN DEFINED) CERTIFYING, AMONG OTHER THINGS, THAT SUCH OWNER IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED AND REGULATION D THEREUNDER.

No. R-1

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA
GRANT PROCEEDS NOTE, SERIES 2018

INTEREST RATE: 2.90%
MATURITY DATE: October 1, 2024
DATE OF ISSUE: October 26, 2018

REGISTERED OWNER: CENTENNIAL BANK
PRINCIPAL AMOUNT: Not to Exceed Seven Million Five Hundred Thousand Dollars

KNOW ALL MEN BY THESE PRESENTS, that ISLAMORADA, VILLAGES OF ISLANDS, Florida (the "Village"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on the Maturity Date, or sooner as provided herein, the principal sum of $7,500,000 or the amount so advanced and the interest on the outstanding principal hereof from the date of this Note or from the most recent date to which interest has been paid, whichever is applicable, until payment of such principal, with all unpaid interest being due on the Maturity Date or upon the earlier payment of principal hereunder upon presentation and surrender hereof at the office of the Clerk for ISLAMORADA, VILLAGE OF ISLANDS, as Registrar and Paying Agent. The principal of, and interest on this Note are payable in lawful money of the United States of America. Interest shall be payable at the Interest Rate stated above. Interest due hereon shall be calculated on the basis of a 360-day year for the actual number of days elapsed.

This Note is being issued in the not to exceed aggregate principal amount $7,500,000 to pay the costs of the Project under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. 18-10-107, duly adopted by the Village Council on October 18, 2018 (the "Resolution"), and pursuant to a Line of Credit Agreement between the Village and the Registered Owner, dated October 26, 2018 (the "Line of Credit Agreement"), to which reference should be made to ascertain those terms and conditions. The terms and provisions of the Line of Credit Agreement and the Resolution, including without
limitation, the definitions therein, are hereby incorporated as a part of this Note. The principal of 
this Note shall be disbursed by the Registered Owner hereof to the Village in one or more 
Advances in accordance with the Line of Credit Agreement. Upon request by the Village to the 
Registered Owner, the Village may pay an amount to reduce the principal amount outstanding 
at anytime without penalty.

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

The Registered Owner may sue to protect and enforce any and all rights, including the 
right to specific performance, existing under the laws of Florida, of the United States 
of America, or granted and contained in the Line of Credit Agreement, and to enforce and compel 
the performance of all duties required by the Line of Credit Agreement or by any applicable laws 
to be performed by the Village, the Council or by any officer thereof, and may take all steps to 
enforce the Line of Credit Agreement to the full extent permitted or authorized by the laws of the 
State of Florida or the United States of America.

This Note is subject to all the terms of the Line of Credit Agreement.

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

[Remainder of page left intentionally blank]
IN WITNESS WHEREOF, ISLAMORADA, VILLAGE OF ISLANDS, Florida, has caused this Note to be executed by the Mayor and attested by the Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue above.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By: ____________________________
   Village Mayor

ATTEST:

By: ____________________________
   Village Clerk
CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes issued under the provisions of the within mentioned Resolution.

Village Clerk of Islamorada,
Village of Islands, Florida,
as Authenticating Agent

Date of Authentication:
October 24, 2018

By: [Signature]
Authorized Officer
ASSIGNMENT AND TRANSFER

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

Date:

Signature Guaranteed by

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

By: _______________
Title:

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

**Form 8038-G**

<table>
<thead>
<tr>
<th>Part I</th>
<th>Reporting Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Issuer's name</td>
</tr>
<tr>
<td></td>
<td>Islamorada, Village of Islands, Florida</td>
</tr>
<tr>
<td>3a</td>
<td>Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)</td>
</tr>
<tr>
<td></td>
<td>JoLinda Herring, Esq.</td>
</tr>
<tr>
<td>4</td>
<td>Number and street (or P.O. box if mail is not delivered to street address)</td>
</tr>
<tr>
<td></td>
<td>One SE Third Avenue</td>
</tr>
<tr>
<td>6</td>
<td>City, town, or post office, state, and ZIP code</td>
</tr>
<tr>
<td></td>
<td>Miami, Florida 33131</td>
</tr>
<tr>
<td>8</td>
<td>Name of issue</td>
</tr>
<tr>
<td></td>
<td>$7,500,000 Grant Proceeds Note, Series 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part II</th>
<th>Type of Issue (enter the issue price). See the instructions and attach schedule.</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Education .</td>
</tr>
<tr>
<td>12</td>
<td>Health and hospital .</td>
</tr>
<tr>
<td>13</td>
<td>Transportation .</td>
</tr>
<tr>
<td>14</td>
<td>Public safety .</td>
</tr>
<tr>
<td>15</td>
<td>Environment (including sewage bonds) .</td>
</tr>
<tr>
<td>16</td>
<td>Housing .</td>
</tr>
<tr>
<td>17</td>
<td>Utilities .</td>
</tr>
<tr>
<td>18</td>
<td>Other. Describe ▶ Hurricane recovery</td>
</tr>
</tbody>
</table>

| 19      | If obligations are TANs or RANs, check only box 19a .                              |
|         | If obligations are BANs, check only box 19b .                                      |
| 20      | If obligations are in the form of a lease or installment sale, check box .         |

<table>
<thead>
<tr>
<th>Part III</th>
<th>Description of Obligations. Complete for the entire issue for which this form is being filed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>(a) Final maturity date</td>
</tr>
<tr>
<td></td>
<td>10/01/2024</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part IV</th>
<th>Uses of Proceeds of Bond Issue (including underwriters' discount)</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>Proceeds used for accrued interest</td>
</tr>
<tr>
<td>23</td>
<td>Issue price of entire issue (enter amount from line 21, column (b))</td>
</tr>
<tr>
<td>24</td>
<td>Proceeds used for bond issuance costs (including underwriters' discount)</td>
</tr>
<tr>
<td>25</td>
<td>Proceeds used for credit enhancement</td>
</tr>
<tr>
<td>26</td>
<td>Proceeds allocated to reasonably required reserve or replacement fund</td>
</tr>
<tr>
<td>27</td>
<td>Proceeds used to currently refund prior issues</td>
</tr>
<tr>
<td>28</td>
<td>Proceeds used to advance refund prior issues</td>
</tr>
<tr>
<td>29</td>
<td>Total (add lines 24 through 28)</td>
</tr>
<tr>
<td>30</td>
<td>Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part V</th>
<th>Description of Refunded Bonds. Complete this part only for refunding bonds.</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>Enter the remaining weighted average maturity of the bonds to be currently refunded</td>
</tr>
<tr>
<td>32</td>
<td>Enter the remaining weighted average maturity of the bonds to be advance refunded</td>
</tr>
<tr>
<td>33</td>
<td>Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)</td>
</tr>
<tr>
<td>34</td>
<td>Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)</td>
</tr>
</tbody>
</table>

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S Form 8038-G (Rev. 9-2011)

---

**The Note is issued as a draw down bond, so the WAM and yield cannot be calculated at the time of closing.**
### Part VI Miscellaneous

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)</td>
<td>35</td>
<td>-0-</td>
</tr>
<tr>
<td>36a</td>
<td>Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)</td>
<td>36a</td>
<td>-0-</td>
</tr>
<tr>
<td></td>
<td>b Enter the final maturity date of the GIC</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c Enter the name of the GIC provider</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units</td>
<td>37</td>
<td>-0-</td>
</tr>
<tr>
<td>38a</td>
<td>If this issue is a loan made from the proceeds of another tax-exempt issue, check box □ and enter the following information:</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b Enter the date of the master pool obligation</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c Enter the EIN of the issuer of the master pool obligation</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>d Enter the name of the issuer of the master pool obligation</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box □</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box □</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>41a</td>
<td>If the issuer has identified a hedge, check here □ and enter the following information:</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b Name of hedge provider</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c Type of hedge</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>d Term of hedge</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>If the issuer has superintegrated the hedge, check box □</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box □</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>If the issuer has established written procedures to monitor the requirements of section 148, check box □</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>45a</td>
<td>If some portion of the proceeds was used to reimburse expenditures, check here □ and enter the amount of reimbursement -0-</td>
<td>□</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>b Enter the date the official intent was adopted</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature and Consent

[Signature]

Date 10/26/2018

Maria Bassett, Finance Director

Paid Preparer Use Only

Print/Type preparer's name: Jolinda Herring, Esq.

Preparer's signature: [Signature]

Date: 10/26/2018

Check [ ] if self-employed

PTIN: 01085099

Firm's name: Bryant Miller Oliver P.A.

Firm's EIN: 59-1315601

Firm's address: 150 E 3rd Avenue, Suite 200, Miami, FL 33131

Phone no.: 305-374-7349
Bond issue name: Not to Exceed $7,500,000 Islamorada, Village of Islands, Florida Grant Proceeds Note, Series 2018

Sale date: 10/26/2018
Closing date: 10/26/2018
Submitted by: nquant@bmolaw.com
Submission date: 10/22/2018
**Issuer**

**Name of Governmental Unit:**
Islamorada, Village of Islands, Florida

**Mailing Address of Governmental Unit or its Manager:**
86800 Overseas Hwy.

**Address 2:**
[blank]

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamorada</td>
<td>FL</td>
<td>33036</td>
</tr>
</tbody>
</table>

**Counties in which governmental unit has jurisdiction:**
Miami-Dade

**Type of Issuer:**
Other

**Other Issuer Type:**
Village

**Is the Issuer a Community Development District?**
No

---

**Bond Information**

**Bond Issue Detail(s):**

<table>
<thead>
<tr>
<th>Name of Bond Issue</th>
<th>Amount Issued</th>
<th>Interest Calculation</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamorada, Village of Islands, Florida Grant Proceeds Note, Series 2018</td>
<td>7,500,000.00</td>
<td>Arbitrage Yield</td>
<td>2.9621</td>
</tr>
</tbody>
</table>

**Amount Authorized:**
7,500,000.00

**Dated Date:**
10/26/2018

**Sale Date:**
10/26/2018

**Delivery Date:**
10/26/2018

**Legal Authority For Issuance:**
Ch. 166, F.S.

**Type Of Issue:**
Bank Loan/Line of Credit

**Is this a Private Activity Bond?**
No

**Specific Revenue(s) Pledged:**
- **Primary:** Other
- **Secondary:** None
- **Other:** Non-Ad Valorem Revenues

**Purpose(s) of the Issue:**
- **Primary:** Other
- **Secondary:** None
- **Other:** Hurricane Irma canal clean-up
Is this a Refunding Issue?
No

**Bond Refunding Issue Detail(s):**

<table>
<thead>
<tr>
<th>Name of Refunding Issue</th>
<th>Dated Date</th>
<th>Original Par Value</th>
<th>Par Value Refunded</th>
</tr>
</thead>
<tbody>
<tr>
<td>[blank]</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Type of sale:
Negotiated Private Placement

Insurance/Enhancements:
No Credit Enhancement

Rating(s):
- Moody's: NR
- S & P: NR
- Fitch: NR
- Other: [blank]

Debt Service schedule provided by:
Email

Optional Redemption Provisions provided by:
Email

**Participants**

Provide the name and address of the Senior Managing Underwriter or Sole Purchaser.

**Underwriter:**
Centennial Bank

**Mailing Address of Underwriter:**
81541 Old Highway

**Address 2:**
[blank]

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamorada</td>
<td>FL</td>
<td>33036</td>
</tr>
</tbody>
</table>

**Co-Underwriter:**
None

Provide the names and addresses of any attorneys who advised the unit of local government with respect to the bond issue.

**Bond Counsel:**
Bryant Miller Olive P.A.

**Mailing Address of Bond Counsel:**
1 Se 3rd Avenue, Suite 2200

**Address 2:**
[blank]

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Postal Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miami</td>
<td>FL</td>
<td>33131</td>
</tr>
</tbody>
</table>

**Co-Bond Counsel:**
None
Provide the names and addresses of any financial consultant who advised the unit of local government with respect to the bond issue.

Financial Advisor/Consultant:
RBC Capital Markets, LLC

Mailing Address of Financial Advisor/Consultant:
100 2nd Ave S, Suite 800

Financial Advisor/Consultant:
RSC Capital Markets, LLC

Mailing Address of Financial Advisor/Consultant:
100 2nd Ave S, Suite 800

Address 2:
[blank]

City: St. Petersburg
State: FL
Zip Code: 33701

Co-Financial Advisor/Consultant:
None

Other Professionals:
[blank]

Mailing Address of Other Professionals:
[blank]

Address 2:
[blank]

City: [blank]
State: [blank]
Zip Code: [blank]

Paying Agent:
Clerk

Registrar:
Clerk

Fees

Has any fee, bonus, or gratuity been paid by any underwriter or financial consultant, in connection with the bond issue, to any person not regularly employed or engaged by such underwriter or consultant?

Fees Paid:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Fee Paid</th>
<th>Service provided or function served</th>
</tr>
</thead>
<tbody>
<tr>
<td>[blank]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Have any other fees been paid by the unit of local government with respect to the bond issue, including any fee paid to attorneys of financial consultants?

Total Bond Counsel Fees Paid:
25,000.00

Total Financial Advisor Fees Paid:
15,000.00

Other Fees Paid:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Fee Paid</th>
<th>Service Provided or Function Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond, Schoeneck &amp; King PLLC</td>
<td>2,500.00</td>
<td>Bank's Counsel</td>
</tr>
</tbody>
</table>
Filing of this form has been authorized by the official of the issuer identified below:

Name: Maria T. Bassett, Finance Director

Title: Governmental Officer primarily responsible for coordinating issuance of the bonds

Fees charged by Underwriter:
- Management Fee (per thousand par value): 0.00

OR
- Private Placement Fee: 0.00

Underwriter's expected gross spread (per thousand par value): 0.00

Respondent

For additional information, the Division of Bond Finance should contact:

Name: Jolinda Herring, Esq.

Title: Bond Counsel

Phone: 305-374-7349

Company: Bryant Miller Olive P.A.

Mailing Address of Respondent:
1 SE 3rd Avenue, Suite 2200

Address 2: [blank]

City: Miami
State: FL
Zip Code: 33131
Information relating to party completing this form (if different from above):

Name: [blank]
Title: [blank]
Phone: [blank]
Company: [blank]
Mailing Address: [blank]
Address 2: [blank]
City: [blank]  State: [blank]  Zip Code: [blank]

Continuing Disclosure

If the issuer is required to provide continuing disclosure information in accordance with SEC Rule 15C2-12, do you want the Division of Bond Finance to remind you of your filing deadline?
No
CERTIFICATE REGARDING INTEREST RATE

In accordance with the provisions of Section 215.84(3), Florida Statutes, as amended, the undersigned official of Islamorada, Village of Islands, Florida, DOES HEREBY CERTIFY that as of the date hereof, the initial rate of interest on the Series 2018 Note described below is a rate of 2.90% and does not on October 26, 2018, exceed an average net interest cost rate, computed by adding 300 basis points to The Bond Buyer “20 Bond Index” published immediately preceding the first day of the calendar month in which the Series 2018 Note described below is sold.

Not exceeding $7,500,000 Islamorada, Village of Islands, Florida, Grant Proceeds Note, Series 2018, consisting of one fully-registered Note dated October 26, 2018, bearing interest at a rate of 2.90% and maturing on October 1, 2024.

[Remainder of Page Intentionally Left Blank]
Executed this 26th day of October 2018.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By: Maria Bassett

Maria Bassett
Finance Director
ANTI-DILUTION CERTIFICATE

I, Maria Bassett, Finance Director of Islamorada, Village of Islands, Florida (the "Issuer"), DO HEREBY CERTIFY that on the date hereof, the issuance of the not to exceed $7,500,000 Islamorada, Village of Islands, Florida Grant Proceeds Note, Series 2018 ("Series 2018 Note"), the Issuer is in full compliance with the anti-dilution tests which apply to the Issuer as follows:

1. The Legally Available Non-Ad Valorem Revenues cover maximum annual debt service on the Issuer’s $6,000,000 Capital Improvement Revenue Bond, Series 2013 (Road Project) (the "Series 2013 Bond") and projected maximum annual debt service on the Issuer’s Grant Proceeds Note, Series 2018 and all other Debt then outstanding which is secured by, or payable under a covenant to budget and appropriate from its Non-Ad Valorem Revenues, by at least 1.50x, as calculated on Exhibit “A” attached hereto.

2. The Issuer is not in Default in connection with the provisions of the Series 2013 Bond.

Dated: October 26, 2018.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

By: Maria Bassett
Finance Director
Islamorada
Coverage Calculation for Additional Bonds Test

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>CAFR Page/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Funds Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>13,021,930</td>
<td>14,301,470</td>
<td>19</td>
</tr>
<tr>
<td>Transportation Fund</td>
<td>520,526</td>
<td>530,236</td>
<td>70</td>
</tr>
<tr>
<td>Capital Projects Fund</td>
<td>2,432,491</td>
<td>2,894,096</td>
<td>19</td>
</tr>
<tr>
<td>Less Ad Valorem Revenues</td>
<td>(7,303,398)</td>
<td>(8,831,591)</td>
<td>60</td>
</tr>
<tr>
<td>Less Capital Project Fund Impact Fees</td>
<td>(229,911)</td>
<td>(389,605)</td>
<td>19</td>
</tr>
<tr>
<td>Plus Net Marina Revenues (includes depr)</td>
<td>449,794</td>
<td>406,746</td>
<td>22 (Pays Portion of 2004A)</td>
</tr>
<tr>
<td>Plus North Plantation Key Assessment Revenues</td>
<td>175,418</td>
<td>285,778</td>
<td>Provided by Village (Pays Portion of 2012)</td>
</tr>
<tr>
<td><strong>Non-Ad Valorem Revenues Available for Debt Service</strong></td>
<td><strong>9,066,850</strong></td>
<td><strong>9,197,130</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Essential Services**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Village Council</td>
<td>270,923</td>
<td>254,930</td>
<td>60</td>
</tr>
<tr>
<td>Village Attorney</td>
<td>310,299</td>
<td>426,607</td>
<td>60</td>
</tr>
<tr>
<td>Village Manager/Village Clerk</td>
<td>751,388</td>
<td>878,251</td>
<td>60</td>
</tr>
<tr>
<td>Finance &amp; Administration/IT &amp; Communications</td>
<td>1,278,176</td>
<td>1,511,228</td>
<td>60</td>
</tr>
<tr>
<td>Planning / Code Compliance</td>
<td>762,820</td>
<td>765,803</td>
<td>60</td>
</tr>
<tr>
<td>CDBG Fund Expenditures</td>
<td>147,300</td>
<td>174,330</td>
<td>70</td>
</tr>
<tr>
<td>Public Safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Law Enforcement</td>
<td>1,813,910</td>
<td>1,863,439</td>
<td>61</td>
</tr>
<tr>
<td>Fire Rescue</td>
<td>3,352,829</td>
<td>4,013,661</td>
<td>61</td>
</tr>
<tr>
<td><strong>Total Essential Services</strong></td>
<td><strong>8,687,645</strong></td>
<td><strong>9,888,249</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Less Ad Valorem Revenues</strong></td>
<td>(7,303,398)</td>
<td>(8,831,591)</td>
<td></td>
</tr>
<tr>
<td><strong>Essential Services Not Paid from Ad Valorem Revenues</strong></td>
<td><strong>1,384,247</strong></td>
<td><strong>1,056,658</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Adjusted Non-Ad Valorem Revenues Available for Debt Service** | 7,682,603 | 8,140,472 |

**Average Adjusted Non-Ad Valorem Revenues Available for Debt Service** | 7,911,538 |

**MADS After Series 2018 Note (Estimated to Occur in FY 2020)**

<table>
<thead>
<tr>
<th>Bond Series</th>
<th>2016</th>
<th>2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap Impr Rev Bond Series 2012</td>
<td>623,566</td>
<td>501,695</td>
<td>Refinance 2002A</td>
</tr>
<tr>
<td>Estimated Series 2018 Line/Term Loan</td>
<td>3,448,111</td>
<td>4,573,371</td>
<td>Hurricane Clean-Up and Repairs</td>
</tr>
<tr>
<td><strong>Total Maximum Annual Non-Ad Valorem Debt Service After Series 2018 Note</strong></td>
<td><strong>4,573,371</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Coverage (Minimum Coverage Requirement of 1.50x)** | 1.73 |
CLOSING MEMORANDUM

DATE: October 24, 2018
TO: Working Group
FROM: Julie Santamaria
RE: ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA
Grant Proceeds Note, Series 2018

I. SCHEDULE

Pre-Closing
Date: Wednesday, October 24, 2018
Time: 11:00 a.m.
Place: Village Hall

Closing
Date: Friday, October 26, 2018
Time: After Confirmation of Receipt of Wires (Approximately 11:00 a.m. ET)
Place: via Conference Call

II. PAYMENT AND TRANSFER OF AVAILABLE FUNDS

From Centennial Bank
In-house transfer to the Islamorada, Village of Islands, FL ........................................ $2,500,000

The $2,500,000 is to be used as follows:

<table>
<thead>
<tr>
<th>Project Fund</th>
<th>$2,457,500.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of Issuance</td>
<td>$42,500.00</td>
</tr>
<tr>
<td>Total</td>
<td>$2,500,000.00</td>
</tr>
</tbody>
</table>

To: Centennial Bank
ABA #: 62902757
BNF: 620 Chestnut
Acct #: 0001011585
Acct Name: Islamorada, Village of Islands Operating Account

The Costs of Issuance, which will be billed to the Islamorada, Village of Islands, FL are as follows:

<table>
<thead>
<tr>
<th>Costs of Issuance</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Counsel Fee</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>Financial Advisor Fee</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Bank Counsel</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Total Costs of Issuance</td>
<td>$42,500.00</td>
</tr>
</tbody>
</table>
III. CLOSING

Upon confirmation of receipt of the funds, Bond Counsel, Bryant Miller Olive P.A., shall inform all parties that the transaction is closed.

By your signature below, you agree to the terms and acknowledge receipt of a copy of this Closing Memorandum.

Signature: ____________________________
By: Maria Bassett
Finance Director
Islamorada, Village of Islands, Florida
September 25, 2018

Maria Bassett, Finance Director/ Deputy City Manager
Islamorada Village of Islands Via e-mail maria.bassett@islamorada.fl.us
87000 Overseas Highway
Islamorada, FL 33036

C/O Julie Santamaria, Director, RBC Capital Via e-mail julie.santamaria@rbccm.com

RE: Islamorada Village of Islands- Line of Credit RFP 9/25/18 commitment

Dear Mrs. Bassett & Ms. Santamaria:

As the bank of record for the Village of Islamorada for over 20 years, Centennial Bank is pleased to advise the Islamorada Village of the Islands its commitment to extend credit (the “Loan”) subject to the following terms and conditions:

Borrower: Islamorada Village of Islands

Amount: $7,500,000.00

Purpose: Initial revolving open ended working capital line of credit for Hurricane Irma canal cleanup and timing of funding reimbursements.

Rate: Fixed Tax Free Equivalent qualified rate of 2.9% fixed for the full 78 months (6.5 years).

Term: Initial revolving open ended working capital line of credit, interest only for eighteen (18) months, followed by a term out of any residual principle balance not repaid by NRCS and Monroe County inter-local sharing of funds, for a principle and interest payout term of 60 months at the same fixed rate.

Collateral: The collateral will be FEMA, FDEM, USDA and State of Florida reimbursements Covenant to budget and appropriate non ad valorem revenues.
Origination Fee: There will be no origination fee required with this loan. Normal closing costs incurred by the bank will be passed through, but expected to be minimal outside of our attorney review fee $2,500 or less.

Conditions Precedent to Closing: The Closing and funding of the Loan will be subject to satisfaction of the conditions precedent deemed appropriate by Centennial Bank for transactions of this type, including, but not limited to the delivery of definitive documentation for the Loan satisfactory to Centennial (the “Loan Documents”), which shall include, without being limited to (a) the enforceability of the Loan Documents, and such other customary closing documents as Centennial Bank shall reasonably request of the Village counsel to include.

Representations And Warranties: Execution, delivery and performance of loan documents would be precedent to the loan funding which do not violate law or existing agreements; no litigation is pending or in court except as disclosed to Bank; no material adverse change in financial condition or operations; compliance with environmental laws and continuation of representation and warranties.

Expenses: Borrower will pay for all costs and expenses incurred by Centennial Bank in connection with the Bank’s closing the loan, including the legal fees and expenses to the Bank. Loan documents are being prepared by Village Counsel. Bank attorney fees to review are expected to be $2,500.00 or less as stated above. The Village should be exempt from State of Florida Documentary tax fees. Other expenses are not expected at this time.

Events of Default: Usual and customary (nonpayment) defaults would apply for financing of this type, and will be included in the note and security documents, as well as standard verbiage. Village Counsel is preparing the loan documents.

Additional Terms & Conditions: The commitment to this loan is subject to the following terms and conditions:

1) An attorney opinion letter may be required by Village Counsel to attest to the Village’s ability to enter into this credit facility, tax exempt qualified status for this RFP, and other pertinent matters of fact.

2) If this credit facility is later found to not be tax exempt equivalent qualified, the Village would agree that the Bank receive a rate adjustment to receive the equivalent yield to the interest as bid.
3) If the Islamorada Village requires more than the $7,500,000 the RFP calls for, the bank would be agreeable to a further credit extension.

4) There will be no prepayment penalty on this loan.

WAIVER OF JURY TRIAL: IN CONSIDERATION OF BANK'S COMMITMENT HEREUNDER, BORROWER AND BANK KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO LITIGATION ARISING OUT OF THIS COMMITMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (VERBAL OR WRITTEN), OR ACTIONS OF BORROWER OR BANK.

Any misrepresentation of a material fact, whether intentional or otherwise, made prior to issuance of this commitment or any change of any material fact after the issuance hereof shall, at the lender's sole option, render this commitment void without further notice to the borrower. In such event, the Lender, at its sole option, may elect not to close the loan.

If this commitment is acceptable to you, please sign, date and return the enclosed copy of this letter no later than October 10, 2018. If further time is needed, please contact the bank. The commitment time cannot be held open without a time limit however in a rising rate environment.

On behalf of Centennial Bank, we appreciate the opportunity to present this Commitment for Islamorada Village of Islands.

If you have any questions, please do not hesitate to contact me at (305) 676-3017.

Sincerely,

[Signature]
Jack Thorley
Vice President / Commercial Loan Officer
Centennial Bank

Agreed & Accepted: [Signature] Maria Bassett
Maña Bassett, Finance Director / Deputy City Manager
Islamorada Village of Islands

Dated: 10/19/2018

Or:
Julie Santamaria, RBC Capital (for the Village of Islamorada)