

RESOLUTION NO. 17-78

OF THE

CITY OF PENSACOLA, FLORIDA

ADOPTED NOVEMBER 9, 2017

RELATING TO:

\$8,000,000

CITY OF PENSACOLA, FLORIDA
URBAN CORE REDEVELOPMENT REVENUE BOND,
SERIES 2017

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RESOLUTION NO. 17-78

A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA AUTHORIZING THE ISSUANCE BY THE CITY OF AN URBAN CORE REDEVELOPMENT REVENUE BOND, SERIES 2017, IN THE PRINCIPAL AMOUNT OF \$8,000,000 TO FINANCE CERTAIN COMMUNITY REDEVELOPMENT IMPROVEMENTS IN THE URBAN CORE COMMUNITY REDEVELOPMENT AREA AS DESCRIBED HEREIN; PLEDGING AS SECURITY FOR THE PAYMENT OF SAID SERIES 2017 BOND THE TAX INCREMENT REVENUES OF THE URBAN CORE COMMUNITY REDEVELOPMENT AREA; PROVIDING FOR THE RIGHTS, SECURITY, AND REMEDIES FOR THE REGISTERED OWNER OF THE SERIES 2017 BOND; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AUTHORIZING THE AWARD OF THE SALE OF THE SERIES 2017 BOND; AUTHORIZING FURTHER OFFICIAL ACTION IN CONNECTION WITH THE DELIVERY OF THE SERIES 2017 BOND; PROVIDING CERTAIN AMENDMENTS TO RESOLUTION NO. 33-09; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, FLORIDA; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA, that:

Section 1. Authority for this Resolution.

This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 163, Part III, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the City of Pensacola, Florida (the "Issuer"), and other applicable provisions of law (collectively, the "Act"), and pursuant to Section 15.J of Resolution No. 33-09 duly adopted by the Issuer on October 8, 2009, as amended and supplemented (collectively, the "Original Resolution"). This Resolution shall be deemed a supplement to the Original Resolution (as supplemented hereby, the "Resolution").

Section 2. Definitions.

All terms defined in the Original Resolution shall have the same meaning herein, unless the text otherwise expressly requires. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. The following terms shall have the following meanings herein:

"Act" shall have the meaning ascribed thereto in Section 1 of this Resolution.

"Adjusted Interest Rate" shall have the meaning ascribed to it in Schedule 1 of the Series 2017 Bond.

"Agency" means The Community Redevelopment Agency of the City of Pensacola, Florida, created pursuant to Resolution No. 55-80 adopted by the City Council on September 25, 1980, as confirmed and ratified by Resolution No. 65-81 adopted by the City Council on September 22, 1981.

"Authorized Investments" means, with respect to the Series 2017 Bond, and after payment or defeasance of the 2009 Bonds, any investment, obligation, agreement or other financial instrument to the extent not inconsistent with the terms of the investment policy of the Issuer and applicable law.

"Bond Counsel" means Bryant Miller Olive P.A. or any subsequent nationally recognized bond counsel appointed by to the Issuer.

"Business Day" means any day of the year other than a day on which the Lender or the Issuer are lawfully closed for business.

"Charter" means the municipal charter of the Issuer.

"Chief Financial Officer" means the Chief Financial Officer of the Issuer, or his or her designee.

"City Administrator" means the City Administrator of the Issuer, or any acting or interim City Administrator, or his or her designee.

"City Attorney" means the City Attorney of the Issuer, or his or her designee.

"Clerk" means the Clerk of the Issuer, any acting, deputy, or assistant Clerk, or his or her designee.

"Date of Delivery" means November 15, 2017, or such other date which shall be agreed upon by the Issuer and the Lender.

"Default" or "Event of Default" shall mean, with respect to the Series 2017 Bond, an Event of Default as defined and described in Section 16(A) hereof.

"Default Rate" shall mean, with respect to the Series 2017 Bond, a rate of interest per annum equal to the lesser of eighteen percent (18.00%) or the maximum rate allowed by applicable law.

"Determination of Taxability" means an official and final action is taken or announced by the Internal Revenue Service or a court of competent jurisdiction determining or declaring interest on the Series 2017 Bond is or was includable in the gross income of the Registered Owner thereof for federal income tax purposes under the Code as a result of any action or inaction by the Issuer (which determination or declaration is final and non-appealable or is not appealed within the requisite time for appeal), and not due to a change of law.

"Financial Advisor" means RBC Capital Markets, LLC.

"Interest Payment Date" means, with respect to the Series 2017 Bond, each April 1 and October 1, commencing April 1, 2018, and continuing through the Maturity Date.

"Interest Rate Reset Date" means April 1, 2020.

"Interlocal Agreement" means the Interlocal Agreement between the Issuer and the Agency and relating to the Series 2017 Bond, the form of which is approved pursuant to Section 23 hereof.

"Issuer" means the City.

"Lender" means SmartBank Corporation, a Tennessee banking corporation, and its successors and assigns.

"Maturity Date" means April 1, 2040.

"Maximum Annual Non-Ad Valorem Debt Service" shall mean the maximum annual debt service requirement on a consolidated basis of all Non-Ad Valorem Revenue Obligations then outstanding for the then current or any subsequent Fiscal Year.

"Mayor" means the Mayor of the Issuer or the City Administrator or Chief Financial Officer on behalf of the Mayor.

"Non-Ad Valorem Revenue Obligations" shall mean obligations evidencing indebtedness for borrowed money (i) payable from or secured by a pledge of or lien on one or more Non-Ad Valorem Revenues or covenant to budget and appropriate Non-Ad Valorem Revenues, or (ii) payable directly or indirectly from a covenant to budget and appropriate Non-Ad Valorem Revenues, but only if the Issuer reasonably expects to apply Non-Ad Valorem Revenues to the payment of debt service, directly or indirectly, on such obligations and only to the extent that amounts other than Non-Ad Valorem Revenues available and pledged to pay such obligations during the prior Fiscal Year for which audited financial statements are available were less than the maximum annual debt service for such obligations for the then current or any subsequent Fiscal Year. Non-Ad Valorem Revenue Obligations shall not include indebtedness for borrowed

money payable from or secured by a pledge or lien on Non-Ad Valorem Revenues of any enterprise fund of the Issuer.

"Non-Ad Valorem Revenues" shall mean the revenues of the Issuer in the General Fund which are legally available for payment of principal of and interest on the Series 2017 Bond in each year and which are derived by the Issuer from all sources other than ad valorem taxation on real and personal property. By subsequent resolution duly adopted, the Issuer may include in the definition of Non-Ad Valorem Revenues additional revenues from sources other than ad valorem taxation on real and personal property, so long as such revenues are legally available for payment of principal of and interest on the Series 2017 Bond in each year.

"Parity Obligations" shall mean, collectively, the Issuer's outstanding Redevelopment Revenue Bonds, Series 2009A and Redevelopment Revenue Bonds, Series 2009B (Federally Taxable – Build America Bonds – Direct Payments), each dated as of December 21, 2009.

"Paying Agent" means an officer of the Issuer or the bank or trust company which the Issuer may from time to time designate to serve as paying agent for the Series 2017 Bond, initially, the Chief Financial Officer.

"Payment Date" means any Interest Payment Date or Principal Payment Date.

"Permitted Lenders" means any bank, trust company, savings institution, insurance company, dealer, investment company or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes, that is engaged as a regular part of its business in making loans and is authorized to do business in the State of Florida.

"Principal Payment Date" means, with respect to the Series 2017 Bond, each April 1 commencing April 1, 2018, and continuing through the Maturity Date.

"Project Costs" means a portion of the cost of undertaking the Series 2017 Project including, but not limited to: engineering, legal, accounting, and financial expenses; expenses for estimates of costs and of revenues; expenses for plans, specifications and surveys; fees of fiscal agents, financial advisors or consultants; administrative expenses relating solely to the Series 2017 Project; costs of issuance with respect to the Series 2017 Bond; the cost of acquiring and constructing the Series 2017 Project, reimbursement to the Issuer for any sums heretofore expended for the foregoing purposes and such other costs and expenses as may be necessary or incidental to the financing or refinancing of the Series 2017 Project.

"Project Fund" means the Project Fund established with respect to the Series 2017 Bond pursuant to Section 13(B) hereof.

"Proposal" means the proposal for the purchase of the Series 2017 Bond submitted to the Issuer by the Lender, attached hereto as Exhibit D, and accepted by the Issuer with such changes as agreed to by the Issuer and the Lender.

"Registered Owner" shall have the meaning ascribed thereto in the Original Resolution, and with respect to the Series 2017 Bond, shall mean the Lender.

"Registrar" shall mean, with respect to the Series 2017 Bond, the Chief Financial Officer.

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

"Resolution" shall have the meaning ascribed thereto in Section 1 hereof.

"Series 2017 Bond" means the City of Pensacola, Florida, Urban Core Redevelopment Revenue Bond, Series 2017, authorized herein, in substantially the form attached hereto as Exhibit A, with such changes, modifications, insertions or deletions as are authorized herein.

"Series 2017 Project" means the acquisition of land, construction of certain streetscape projects, sidewalk enhancements, Jefferson Street Road Diet Project and Bay Ferry Project and certain other community redevelopment capital improvements to the Urban Core Community Redevelopment Area included in Urban Core Community Redevelopment Plan, the costs of which are eligible for payment from Tax Increment Revenues.

"Tax Certificate" means the Issuer's Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, As Amended, dated as of the Delivery Date.

"Tax Increment Revenues" shall have the meaning ascribed thereto in the Original Resolution and includes the tax increment revenues paid into the Urban Core Community Redevelopment Trust Fund.

"Urban Core Community Redevelopment Area" means the "Redevelopment Area" as defined in the Original Resolution and includes the area designated as a community redevelopment area pursuant to the Act, Resolution No. 54-80 adopted by the City Council on September 25, 1980, as readopted and reaffirmed by Resolution No. 65-81 adopted by the City Council on September 22, 1981, and known generally as the "Urban Core Community Redevelopment Area".

"Urban Core Community Redevelopment Plan" means the Urban Core Community Redevelopment Area Plan approved by the Issuer pursuant to Resolution No. 02-10 adopted by the City Council on January 14, 2010, as the same may be amended from time to time.

"Urban Core Community Redevelopment Trust Fund" means "Redevelopment Trust Fund" as defined in the Original Resolution and includes the Urban Core Community Redevelopment Trust Fund established under Section 163.387, Florida Statutes, and Ordinance 13-84 of the Issuer enacted on March 8, 1984, into which the Tax Increment Revenues are deposited from time to time.

Section 3. Findings.

(A) Pursuant to Resolution No. 54-80 adopted by the City Council on September 25, 1980, and as confirmed and ratified pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council found and determined that an area designated therein as the "Pensacola Inner City" is a blighted area as therein described, that a combination of rehabilitation, conservation and redevelopment of the Pensacola Inner City is necessary, that there exists a need for a community redevelopment agency to function in the City to carry out community redevelopment purposes pursuant to Part II, Chapter 163, Florida Statutes, and that the Pensacola Inner City is appropriate for community redevelopment projects and is thereby designated a community redevelopment area.

(B) Pursuant to Resolution No. 55-80 adopted by the City Council on September 25, 1980, and as readopted and reaffirmed pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council declared itself to be the "Community Redevelopment Agency" in the City and vested all rights, powers, duties, privileges and immunities vested in a community redevelopment agency pursuant to Part III, Chapter 163, Florida Statutes, in the City Council, subject to all responsibilities and liabilities imposed or incurred, and enumerated certain powers of an Executive Committee therein described and certain powers of the City Council, including the power to issue revenue bonds.

(C) Resolution No. 22-10 adopted by the City Council on August 19, 2010, amended the composition of the Agency pursuant to the City's Charter which became effective on January 10, 2011, such that the Agency be comprised of the members of the City Council seated pursuant to the Charter and that such City Council assume the powers of the Executive Committee therein dissolved. An Interlocal Agreement dated April 12, 2017, between the City and the Agency, provides the Mayor certain executive authority and supervision over the daily operations of the Agency for the current Fiscal Year.

(D) Pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council designated the boundaries and found and determined that an area designated therein as the "Urban Core Community Redevelopment Area" is a blighted area as therein described and that the rehabilitation, conservation and redevelopment is necessary and in the public interest.

(E) Pursuant to Ordinance No. 13-84 enacted by the City Council on March 8, 1984, the Urban Core Community Redevelopment Trust Fund was established and provided that funds

allocated to and deposited in such fund shall be used for the purpose of financing the implementation of the Urban Core Community Redevelopment Plan. The Urban Core Community Redevelopment Trust Fund is required to be maintained and administered as a separate account of the City for the purposes expressed in such ordinance and Chapter 163, Florida Statutes.

(F) On January 14, 2010, the City Council adopted Resolution No. 02-10 approving a "Urban Core Community Redevelopment Plan 2010" for the Urban Core Community Redevelopment Area.

(G) Pursuant to the Interlocal Agreement, the Agency shall acknowledge the Issuer's issuance of the Series 2017 Bond and confirm, consent to and accept the terms thereof and as set forth herein. The Agency will further pledge the Tax Increment Revenues to the City and covenant to fund, pay, reimburse and repay the Issuer the amounts due under the Series 2017 Bond and hereunder, including payment of the principal of and interest on the Series 2017 Bond from Tax Increment Revenues or from any other funds of the Agency legally available for such purpose.

(H) The Issuer has determined that it is necessary and in the best interests of the health, safety and welfare of the Issuer and its inhabitants that the Issuer undertake the Series 2017 Project and that the Series 2017 Project shall constitute and serve the purposes of "community redevelopment" within the meaning and in accordance with the Act. Issuance of the Series 2017 Bond to finance the Series 2017 Project serves a paramount public purpose.

(I) The Issuer is without currently available funds to pay the cost of the Series 2017 Project, and it is necessary and desirable that the Issuer borrow the moneys necessary to provide for payment of the Series 2017 Project.

(J) The Series 2017 Bond will be payable from the Pledged Revenues on a parity with the Parity Obligations, as and to the extent provided herein and any Additional Parity Obligations hereafter issued in accordance with the Original Resolution. The Pledged Revenues are not currently pledged or encumbered to pay any obligations of the Agency or the Issuer except for payment of the Parity Obligations. It is estimated that the Pledged Revenues will be sufficient to pay the principal of and interest on the Series 2017 Bond herein authorized and to pay the Parity Obligations, as the same become due, and to make all deposits required by the Resolution or otherwise required to be paid from the Pledged Revenues.

(K) Section 15.J. of the Original Resolution provides for the issuance of Additional Parity Obligations under the terms, limitations and conditions provided therein.

(L) The City Council hereby accepts the Report and Certificate of the Chief Financial Officer attached hereto as Exhibit F in satisfaction of the requirements of Section 15.J.(a) and (c) of the Original Resolution with respect to the issuance of the Series 2017 Bond. The Issuer has

complied, or will comply prior to delivery of the Series 2017 Bond, with all the terms, conditions and restrictions contained in the Original Resolution. The Issuer is therefore legally entitled to issue the Series 2017 Bond as an "Additional Parity Obligation".

(M) The Series 2017 Bond herein authorized shall be on a parity and rank equally, as to lien on and source and security for payment from the Pledged Revenues, to the extent described herein and in the Original Resolution, and in all other respects, with the Parity Obligations and any Additional Parity Obligations hereafter issued in compliance with the Original Resolution. The Original Resolution shall remain in effect with respect to the Series 2017 Bond after the Parity Obligations are retired.

(N) The principal of and interest on the Series 2017 Bond and all required Sinking Fund and other payments shall be limited obligations of the Issuer, payable solely from and secured by an irrevocable lien upon and pledge of the Pledged Revenues on a parity with the Parity Obligations and any Additional Parity Obligations hereafter issued, as provided herein and in the Original Resolution, and to the extent Pledged Revenues are insufficient, from certain Non-Ad Valorem Revenues budgeted and appropriated for such purposes, all as further described herein. The Series 2017 Bond shall not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State, or any political subdivision or public agency thereof, within the meaning of any constitutional or statutory provisions. Neither the State, nor any political subdivision or public agency thereof, nor the Issuer shall be obligated (1) to levy ad valorem taxes on any property to pay the principal of the Series 2017 Bond, the interest thereon or other costs incidental thereto or to continue or maintain activities or services which generate Non-Ad Valorem Revenues, or (2) to pay the same from any other funds of the Issuer, except from the Pledged Revenues, and to the extent budgeted and appropriated therefor, the Non-Ad Valorem Revenues, all in the manner provided herein and in the Original Resolution.

The Series 2017 Bond shall not constitute a lien upon any property of the Issuer, but shall constitute a lien only on the Pledged Revenues on a parity with the Parity Obligations and any Additional Parity Obligations hereafter issued, all in the manner provided herein and in the Original Resolution.

(O) It is necessary and desirable to provide for the securing of the Series 2017 Bond, the issuance of the Series 2017 Bond and the taking of all other action in connection therewith.

(P) It is necessary and desirable to approve the estimated costs of issuance to be paid by the Issuer in connection with the delivery of the Series 2017 Bond.

(Q) The Financial Advisor, after discussing terms upon which they would purchase the Series 2017 Bond with several potential purchasers, is recommending the Issuer award the Series 2017 Bond in a negotiated sale to the Lender pursuant to the terms in the Proposal.

(R) The Issuer has received an offer from the Lender to purchase the Series 2017 Bond.

Section 4. Authorization of Series 2017 Bond, Authorization of Series 2017 Project.

(A) Subject and pursuant to the provisions hereof and of the Original Resolution, an obligation of the Issuer to be known as the "City of Pensacola, Florida Urban Core Redevelopment Revenue Bond, Series 2017" is hereby authorized to be issued under and secured by the Resolution in the principal amount of \$8,000,000 for the purposes of financing the Series 2017 Project and paying the costs of issuing the Series 2017 Bond. Such Series 2017 Bond shall be issued as an "Additional Parity Obligation" under the Original Resolution. The Series 2017 Bond shall not constitute BABs as defined in the Original Resolution.

(B) The financing and/or reimbursing of the Series 2017 Project is hereby authorized. The City Council and the proper officers of the Issuer are hereby directed to take all action and steps deemed necessary to construct the Series 2017 Project, which are not inconsistent with the terms and provisions of this Resolution.

Section 5. Award of Series 2017 Bond.

Because of the characteristics of the Series 2017 Bond, prevailing and expected market conditions it is in the best interest of the Issuer and shall effectuate the purpose of Chapter 163, Part III, Florida Statutes to accept the offer of the Lender to purchase the Series 2017 Bond at a private negotiated sale. Prior to the issuance of the Series 2017 Bond, the Issuer shall receive from the Lender a Lender's Certificate, in substantially the form attached hereto as Exhibit B and a Disclosure Letter containing the information required by Section 218.385, Florida Statutes, in substantially the form attached hereto as Exhibit C.

The Issuer hereby accepts the Proposal of the Lender; provided, however, in the event of any inconsistencies as between such Proposal and the Series 2017 Bond and the Resolution, the provisions of the Series 2017 Bond and the Resolution shall control.

Section 6. The Resolution to Constitute Contract.

In consideration of the acceptance of the Series 2017 Bond authorized to be issued hereunder by those who shall be Registered Owners of the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners.

Section 7. Description of the Series 2017 Bond.

The Series 2017 Bond shall be dated the Date of Delivery and shall be subject to the following terms:

(A) **Principal Amount.** The Series 2017 Bond shall be in the principal amount of \$8,000,000.

(B) **Interest Rate.** The interest rate on the Series 2017 Bond shall be a fixed rate, reset as provided herein. From the date of issuance of the Series 2017 Bond to the Interest Rate Reset Date, the interest rate on the Series 2017 Bond shall be equal to 3.60% per annum, subject to adjustment as provided in Schedule 1 of the Series 2017 Bond. From the Interest Rate Reset Date to the Maturity Date, the Series 2017 Bond shall bear interest at a fixed rate established as described below, subject to adjustment as provided in Schedule 1 of the Series 2017 Bond. After a Determination of Taxability, the Interest Rate shall equal the Adjusted Interest Rate and after an Event of Default the Interest Rate shall equal the Default Rate. Interest on the Series 2017 Bond shall be calculated using a 360-day year consisting of twelve 30-day months and shall be paid by wire transfer or other medium acceptable to the Issuer and the Lender.

Commencing on the Interest Rate Reset Date, the interest rate on the Series 2017 Bond shall be an interest rate equal to the 20 Year Treasury Constant Maturity Rate as announced by the Board of Governors of the Federal Reserve System in effect as of the Interest Rate Reset Date, plus 1.10%. The Lender shall, within five (5) Business Days of a request from the Issuer, provide the Issuer with a written statement explaining the calculation of the interest rate. The Chief Financial Officer shall review such calculation and resolve any discrepancy with the Lender. In the event it is not feasible to determine the interest rate on the Series 2017 Bond pursuant to the formula described above, the rate shall be determined pursuant to a reasonably comparable formula approved by the Chief Financial Officer and the Lender, upon receipt of an Opinion of Bond Counsel to the effect that use of such formula to determine the interest rate of the Series 2017 Bond will not cause such interest to be included with gross income of the registered owner of the Series 2017 Bond for federal income tax purposes.

Anything provided herein or in the Series 2017 Bond to the contrary notwithstanding in no event shall interest be payable on the Series 2017 Bond at a rate in excess of the maximum rate permitted by applicable law.

(C) **Principal and Interest Payment Dates.** Principal on the Series 2017 Bond shall be paid annually on each Principal Payment Date, in amounts specified in Schedule 2 attached to the Series 2017 Bond, and shall mature on the Maturity Date. Interest on the Series 2017 Bond shall be paid semi-annually on each Interest Payment Date.

(D) **Prepayment of the Series 2017 Bond.** The Issuer may prepay the Series 2017 Bond in whole on any date and in part on any Principal Payment Date on or after April 1, 2023 or in whole on April 1, 2020, upon at least 10 days' prior written notice to the Registered Owner at a price of par plus accrued interest to the date of prepayment, including without limitation interest accrued after the Accrual Date at the Adjusted Interest Rate and the Additional Amount (as such terms are defined in Schedule 1 of the Series 2017 Bond). Unless otherwise agreed to by the Registered Owner of the Series 2017 Bond, all prepayments of the principal of the Series 2017

Bond shall be increments of \$1,000 and shall be applied to the prepayment of principal installments in inverse order of the Principal Payment Dates specified in Schedule 2 attached to the Series 2017 Bond.

(E) Form of Series 2017 Bond. The Series 2017 Bond shall be in substantially the form attached hereto as Exhibit A, with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Resolution. The Mayor is hereby authorized to approve the final principal amortization schedule attached as Schedule 2 to the Series 2017 Bond as shall comply with the terms of the Original Resolution and shall be accepted by the Lender; provided that the aggregate principal amount of the Series 2017 Bond shall not exceed \$8,000,000.

(F) Original Denomination. The Series 2017 Bond shall originally be issued in a single denomination in an amount equal to the original principal amount authorized hereunder.

Section 8. Execution and Delivery of Series 2017 Bond.

Notwithstanding the provisions of Section 8 of the Original Resolution and pursuant to Section 4.01(1) of its Charter, the Issuer hereby authorizes the Mayor to execute the Series 2017 Bond, such execution to be attested under seal by the City Clerk, approved as to content by the Chief Financial Officer and designated as legal in form and valid as drawn by the City Attorney and further authorizes the Mayor to deliver the Series 2017 Bond to the Lender, and to take such other actions as shall be necessary to consummate the loan. In case any one or more of the officers who shall have signed or sealed the Series 2017 Bond or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Series 2017 Bond so signed and sealed has been actually sold and delivered, such Series 2017 Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2017 Bond had not ceased to hold such office. The Series 2017 Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2017 Bond shall hold the proper office of the Issuer, although, at the date of such Series 2017 Bond, such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Series 2017 Bond shall be actually sold and delivered

Section 9. Registration and Exchange of the Series 2017 Bond.

The Series 2017 Bond shall be in fully registered form. There shall be a Registrar who shall be responsible for maintaining the Register. The person in whose name ownership of a Series 2017 Bond is shown on the Register shall be deemed the Registered Owner thereof by the Issuer and the Registrar, who may treat the Registered Owner as the absolute owner of the Series 2017 Bond for all purposes, whether or not the Series 2017 Bond shall be overdue, and any notice to the contrary shall not be binding upon the Issuer or the Registrar.

Ownership of the Series 2017 Bond may be transferred or assigned only as a whole and only upon the Register. Transfer of the Series 2017 Bond (i) shall be restricted to Permitted Lenders and (ii) is not permitted in the event the remaining principal amount outstanding of the Series 2017 Bond is less than \$100,000. The Series 2017 Bond shall contain a legend that provides that the Registered Owner thereof shall not transfer the Series 2017 Bond except as provided herein.

Upon surrender to the Registrar for transfer or exchange of the Series 2017 Bond accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Registered Owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the transferee a new fully registered Series 2017 Bond of the same amount, maturity and interest rate as the Series 2017 Bond surrendered.

The Series 2017 Bond presented for transfer, exchange, redemption or payment (if so required by the Issuer 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 Registrar, duly executed by the Registered Owner or by his duly authorized attorney.

The Issuer 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 2017 Bond. The Registrar or the Issuer 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 any governmental entity other than the Issuer. Such charges and expenses shall be paid before any such new Series 2017 Bond shall be delivered.

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

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

Section 10. Application of Provisions of the Original Resolution.

(A) The Series 2017 Bond shall for all purposes be considered upon issuance to be an "Additional Parity Obligation" and a "Bond" issued under the authority of the Original Resolution, and shall be entitled to all the protection and security provided therein for the Parity

Obligations with respect to the Pledged Revenues, and shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Obligations with respect to the Pledged Revenues; provided that, anything provided in the Resolution to the contrary notwithstanding, the Series 2017 Bond shall not share in any subaccount of the Reserve Account hereafter established for any Additional Parity Obligations hereafter issued unless the resolution authorizing the same expressly provides otherwise.

The covenants and pledges contained in the Original Resolution are hereby incorporated by reference herein and shall be applicable to the Series 2017 Bond in like manner as applicable to the Parity Obligations, except to the extent the same are applicable in accordance with the terms of the Original Resolution solely to the Parity Obligations and except as specifically set forth therein and herein. The principal of and interest on the Series 2017 Bond shall be payable from the applicable funds and accounts established pursuant to the Original Resolution, all as provided herein and in the Original Resolution, on a parity with the Parity Obligations and any Additional Parity Obligations hereafter issued. The Pledged Revenues shall be deposited in the Revenue Fund as provided in the Original Resolution and applied to the payment of the Series 2017 Bond, on a parity with the Parity Obligations and any Additional Parity Obligations hereafter issued.

The Series 2017 Bond shall not be entitled to payment from any moneys in the Reserve Account or any subaccount of the Reserve Account hereafter established and no deposit to any subaccount of the Reserve Account is being made with respect to the Series 2017 Bond. Whenever the moneys in the Sinking Fund are insufficient for payment of all amounts due thereunder, any amounts therein shall be applied ratably to all of the Bonds outstanding, including the Series 2017 Bond; provided, however, moneys in any subaccount of the Reserve Account hereafter established shall be applied solely to pay the Bond Service Requirement in respect to such Additional Parity Obligations then outstanding entitled to payment from such subaccount, which shall not include the Series 2017 Bond.

(B) Upon the issuance of the Series 2017 Bond, the Issuer shall, in each month thereafter, increase the amounts of the deposits from Pledged Revenues in the Revenue Fund on a parity with the other payments to the Sinking Fund pursuant to Section 15.C. of the Original Resolution to provide for the payment of the principal (including Amortization Installments) and interest required in respect of the Series 2017 Bond.

(C) The gross amount required to pay principal of or interest and Amortization Installments on the Series 2017 Bond on any payment date shall be deposited in trust for such purposes with the Paying Agent in immediately available funds on such payment date. In accordance with the Original Resolution, any provision hereof to the contrary notwithstanding, so long as the Issuer is not in default in the payment of principal, premium, if any, and interest on the Bonds, then the failure to deposit the Pledged Revenues into the Revenue Fund and Sinking Fund in the amounts required hereunder and under the Original Resolution shall not be deemed a default thereunder or hereunder so long as the full amount of such deposits necessary

to make all such payments with respect to the Bonds are deposited in such funds on or prior to the date such payments are due.

Section 11. Additional Covenants.

Until the principal of and interest on the Series 2017 Bond shall have been paid in full or provision for payment of the Series 2017 Bond shall have been made in accordance with the provisions of the Resolution, the Issuer covenants with the Registered Owner of the Series 2017 Bond as follows:

(A) Disposition of Pledged Revenues. To the extent permitted by the Original Resolution and applicable law, those portions of the Tax Increment Revenues paid by Escambia County, Florida and the Downtown Improvement Board shall be deposited to the credit of the Sinking Fund and used to pay the Bond Service Requirement on the Series 2017 Bond prior to that portion of the Tax Increment Revenues paid by the City. To the extent Tax Increment Revenues and other amounts therein are insufficient to make such payments, the Issuer shall deposit prior to each Payment Date, Non-Ad Valorem Revenues budgeted and appropriated therefor as provided in Section 12 hereof sufficient to cause the amount on deposit in the Principal Account and Interest Account, respectively, to be sufficient to pay the principal of and interest on the Series 2017 Bond becoming due and payable on such Payment Date.

Pursuant to Section 15.C.(6) of the Original Resolution, Tax Increment Revenues in excess of the amounts necessary to make the deposits required hereby and by the Original Resolution may be used by the Agency and the Issuer for any lawful purpose of the Urban Core Community Redevelopment Trust Fund and of the Issuer, respectively.

(B) Tax Covenant. Neither the Issuer, nor any third party over whom the Issuer has control, will make any use of, or permit an omission of use, of the proceeds of the Series 2017 Bond at any time during the term of the Series 2017 Bond which would cause the Series 2017 Bond 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 Issuer covenants throughout the term of the Series 2017 Bond 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 2017 Bond, including, without limitation, the payment of arbitrage rebate, if required.

The Issuer hereby makes each of the representations, warranties and covenants contained in the Tax Certificate. By this reference, all terms, conditions, and covenants in said Tax Certificate are incorporated in and made a part of this Resolution.

(C) Financial Statements. At no cost to the Lender, the Issuer shall provide to the Lender its audited year-end financial statements no later than 210 days after the end of the each Fiscal Year prepared in accordance with generally accepted accounting principles.

(D) Annual Budget and Other Information. The Issuer will prepare its annual budget in accordance with the Act, and will provide at no cost to the Lender a copy of its final, adopted annual budget for each Fiscal Year upon request of the Lender. The Issuer will provide the Lender such other financial or public information as the Lender may reasonably request.

(E) Additional Debt. The Issuer covenants and agrees that it will not issue debt obligations which are secured by or payable from Non-Ad Valorem Revenues unless its Non-Ad Valorem Revenues for the most recent two (2) Fiscal Years for which audited financial statements are available (average of actual receipts over the prior two (2) years) plus reasonably projected receipts of any new source of Non-Ad Valorem Revenues that has been levied to the extent not fully reflected in such audited financial statements less Non-Ad Valorem Revenues arising from and accounted for in any enterprise fund of the Issuer (except those funds which have been transferred from any retained earnings of such enterprise fund to the Issuer's general fund for general fund expenditure) shall equal at least two (2.0) times the combined Maximum Annual Non-Ad Valorem Debt Service on all Non-Ad Valorem Revenue Obligations, including Non-Ad Valorem Revenue Obligations proposed to be issued.

Debt service on any Non-Ad Valorem Revenue Obligations shall be computed in accordance with the requirements of the documents under which such portion of the Non-Ad Valorem Revenue Obligations were issued or incurred; provided, however, that for purposes of this Section 12.E., interest on any Non-Ad Valorem Revenue Obligations which bear interest at a variable rate of interest shall be deemed to bear interest at the greater of (i) 1.25 times the most recent 20 Bond Index published by *The Bond Buyer*, or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of the Issuer. The maximum annual debt service on Non-Ad Valorem Revenue Obligations, whether bearing interest at a fixed or variable interest rate, constituting Balloon Indebtedness, shall be determined assuming such Non-Ad Valorem Revenue Obligations are 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 Non-Ad Valorem Revenue Obligations, 25% or more of the original principal of which matures during any one Fiscal Year.

(F) No Impairment. The Issuer covenants with the Registered Owner that it will not, without the written consent of the Registered Owner, enact any ordinance or adopt any resolution which repeals, impairs, or modifies in any manner adverse to the Registered Owner the Tax Increment Revenues.

(G) Receipt of Pledged Revenues. The Issuer covenants to do all things necessary or required on its part by the Act, or other applicable provisions of law, to enforce the collection and receipt of the Tax Increment Revenues. The Issuer shall exercise all legally available remedies to enforce such collection and receipt now or hereafter available under law.

(H) Expenditure of Proceeds. Proceeds of the Series 2017 Bond shall be expended only for costs which are eligible for payment from Tax Increment Revenues.

Section 12. Covenant to Budget and Appropriate.

To the extent that receipts of the Pledged Revenues are insufficient in any Fiscal Year to pay the Bond Service Requirement on the Series 2017 Bond, the Issuer covenants to budget and appropriate sufficient Non-Ad Valorem Revenues to cure such deficiency. 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 Issuer, 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 Issuer for the purpose of making up such deficiency or maintain or continue any program or services which generate Non-Ad Valorem Revenues. The obligations hereunder do not constitute a general obligation indebtedness of the Issuer 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 Issuer or taxation of any real or personal property therein for the payment by the Issuer of its obligations hereunder. Except to the extent expressly set forth herein, this Resolution and the obligations of the Issuer hereunder shall not be construed as a limitation on the ability of the Issuer to pledge or covenant to budget and appropriate said Non-Ad Valorem Revenues or any revenues or taxes of the Issuer for other legally permissible purposes. Notwithstanding any provisions of this Resolution or the Series 2017 Bond to the contrary, the Issuer shall never be obligated to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues or the rates for such services or regulatory fees. Neither this Resolution nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any Non-Ad Valorem Revenues of the Issuer 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 funding of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer.

The amount of Non-Ad Valorem Revenues available to be budgeted and appropriated to make the Bond Service Requirements with respect to the Series 2017 Bond hereunder are subject to the satisfaction of funding requirements for obligations secured by an express pledge of or lien on Non-Ad Valorem Revenues and funding of essential governmental services of the Issuer; however, such obligation to pay the Bond Service Requirements of the Series 2017 Bond is cumulative and would carry over from Fiscal Year to Fiscal Year.

Section 13. Application of Proceeds of Series 2017 Bond.

Simultaneously with the delivery of the Series 2017 Bond to the Lender, proceeds of the Series 2017 Bond shall be applied as follows:

(A) The Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2017 Bond.

(B) Proceeds of the Series 2017 Bond remaining after payment of costs of issuance shall be deposited into a separate account of the Issuer hereby created and established to be known as the "City of Pensacola, Florida, Urban Core Redevelopment Revenue Bond, Series 2017 Project Fund" (the "Project Fund") and shall be used by the Issuer to pay Project Costs. Monies in the Project Fund shall be invested in Authorized Investments, and all income derived therefrom shall be deposited in the Project Fund until the Series 2017 Project has been completed, at which time such income, together with any balance remaining in the Project Fund, shall be deposited to the credit of the Sinking Fund and used to pay principal of and interest on the Series 2017 Bond.

To the extent there are no other available funds held hereunder, the Issuer shall use any remaining funds in the Project Fund to pay principal of and interest on the Series 2017 Bond.

Such fund shall be kept separate and apart from all other funds of the Issuer and the moneys on deposit therein shall be withdrawn, used and applied by the Issuer solely for the purposes set forth herein. Such proceeds shall be and constitute trust funds for such purpose and there is hereby created a lien in favor of the Series 2017 Bond upon such money until so applied by the Issuer solely for the purposes set forth herein.

Section 14. Amendment.

This Resolution shall not be modified or amended in any respect subsequent to the issuance of the Series 2017 Bond, except with the written consent of the Registered Owner.

Section 15. Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Series 2017 Bond is intended or shall be construed to give to any person other than the Issuer and the Registered Owner any legal or equitable right, remedy, or claim under or with respect to this Resolution or any covenants, conditions, and provisions herein contained; this Resolution and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Registered Owner.

Section 16. Events of Default; Notice and Remedies.

(A) Events of Default. The following shall be "Events of Default" hereunder, 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:

(1) Failure by the Issuer to make any payment of principal of or interest on the Series 2017 Bond within five (5) days of the date due.

(2) Failure by the Issuer to observe and perform any other covenant, condition or agreement on its part to be observed or performed hereunder or under the Original Resolution

for a period of thirty (30) days after written notice of such failure was or was by the terms hereof required to be delivered to the Issuer by the Registered Owner, unless the Registered Owner shall agree in writing to an extension of such time prior to its expiration;

(3) The making of any warranty, representation or other statement by the Issuer or by an officer or agent of the Issuer herein or in any instrument furnished in compliance with or in reference to the Resolution which is false or misleading in any material adverse respect;

(4) The filing of a petition against the Issuer or the Agency 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 ninety (90) days of such filing;

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

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

Upon an Event of Default specified in paragraphs (1) through (6) above, the Interest Rate shall immediately and automatically become the Default Rate.

In accordance with Section 15.G. of the Original Resolution, the Registered Owner of the Series 2017 Bond may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State, or granted and contained in the Original Resolution, and may enforce and compel the performance of all duties required in the Original Resolution or by any applicable statutes to be performed by the Issuer or any officer thereof.

(B) Notice of Defaults. The Issuer shall within five (5) Business Days after it acquires knowledge thereof, notify the Registered Owner of the Series 2017 Bond in writing (a) upon the happening, occurrence, or existence of any Event of Default that the Registered Owner is not otherwise aware of, or (b) any event or condition which with the passage of time or giving notice, or both, would constitute an Event of Default, and shall provide the Registered Owner of the

Series 2017 Bond, with such written notice, a detailed statement by the Chief Financial Officer of all relevant facts and the action being taken or proposed to be taken by the Issuer with respect thereto. Regardless of the date of receipt of such notice by the Registered Owner of the Series 2017 Bond, such date shall not in any way modify the date of occurrence of the actual Event of Default.

(C) Remedies. For all Events of Default, 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 the United States of America, or granted and contained herein, and to enforce and compel the performance of all duties required by the Resolution or by any applicable laws to be performed by the Issuer, the City Council or by any officer thereof, and may take all steps to enforce the Resolution or the Issuer's rights under the Interlocal Agreement to the full extent permitted or authorized by the laws of the State or the United States of America. The Issuer hereby agrees to reimburse the Registered Owner for all reasonable legal and collection costs incurred by the Registered Owner in connection with the exercise of any remedies hereunder. The Registered Owner may exercise any remedies under the Resolution without any consent of any other holder, owner or creditor of any Bonds issued under the Resolution.

The right to accelerate and to declare immediately due and payable all or any portion of the principal of the Series 2017 Bond upon the occurrence of an Event of Default ("Right of Acceleration") shall not be a remedy hereunder; unless, however, any Additional Parity Obligation issued in accordance with the terms hereof or the Original Resolution includes a Right of Acceleration. The Issuer shall provide notice thereof to the Registered Owner within ten (10) days of the delivery of such Additional Parity Obligation, together with a copy of any loan document, security agreement, or other agreement evidencing such Additional Parity Obligation. Upon the execution and delivery of an Additional Parity Obligation that includes the Right of Acceleration as a remedy, the Right of Acceleration shall be a remedy hereunder from and after the effective date of such Additional Parity Obligation for so long as such obligation is outstanding, regardless of whether the Issuer fails to provide such notice.

The Issuer and the Registered Owner each waives, to the fullest extent permitted by law, any right to trial by jury in respect of any litigation based upon the Series 2017 Bond or arising out of, under or in conjunction with the Series 2017 Bond or the Resolution.

Section 17. Severability.

If any one or more of the covenants, agreements or provisions herein contained shall 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 separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Series 2017 Bond issued hereunder.

Section 18. Business Days.

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

Section 19. Applicable Provisions of Law.

This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 20. Rules of Interpretation.

Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter," and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

Section 21. Captions.

The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 22. No Personal Liability.

No recourse shall be had for the payment of the principal of and interest on the Series 2017 Bond or for any claim based on the Series 2017 Bond or hereon, against any present or former member, officer or employee of the City Council or the City or any person executing the Series 2017 Bond.

Section 23. Approval of Interlocal Agreement.

The form of Interlocal Agreement between the Issuer and the Agency and relating to the Series 2017 Bond, attached hereto as Exhibit E, is hereby approved. The Interlocal Agreement with such non-material omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor, the City Administrator, City Attorney, the Clerk or the Chief Financial Officer prior to the execution thereof, which necessity and/or desirability and approval shall be presumed by the execution thereof by the Mayor. The Issuer hereby authorizes the Mayor to execute the Interlocal Agreement, such execution to be attested under seal by the City Clerk,

approved as to content by the Chief Financial Officer and designated as legal in form and valid as drawn by the City Attorney.

Section 24. Authorizations.

The Mayor, City Administrator, City Attorney, the Clerk, the Chief Financial Officer and such other authorized officers, employees and agents of the Issuer are each designated agents of the Issuer in connection with the issuance, execution and delivery of the Series 2017 Bond and the execution and delivery of the Interlocal Agreement and are authorized and empowered, collectively or individually, to take all actions and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Issuer which are necessary or desirable in connection with the execution and delivery of the Series 2017 Bond and the Interlocal Agreement and which are not inconsistent with the terms and provisions hereof and other actions relating to the Series 2017 Bond and the Interlocal Agreement heretofore taken by the Issuer.

Section 25. Repealer.

This Resolution supersedes all prior actions of City Council inconsistent herewith. All resolutions or portions thereof in conflict with the provisions of this Resolution are hereby repealed to the extent of any such conflict; provided, however, that nothing herein shall effect any vested rights of the Holder or holders of the Parity Obligations.

Section 26. Amendments to Original Resolution.

(a) The second paragraph of Section 15.C. of the Original Resolution is hereby amended in its entirety to read as follows:

All Pledged Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of on or before the fifteenth (15th) day of each month commencing in the month immediately following the delivery of the Bonds, first to deposit to the Rebate Fund established under Section 15(K) of this Resolution an amount estimated to be sufficient to timely provide for the Rebate Deposit, if any, required thereunder, and then only in the following manner and in the following order of priority; provided, however, that to the extent permitted by applicable law, that portion of the Tax Increment Revenues paid by Escambia County, Florida and the Downtown Improvement Board shall be applied to make the deposits required hereby prior to that portion of the Tax Increment Revenues paid by the City:

(b) Effective upon the payment, or redemption or defeasance pursuant to Section 17 of the Original Resolution of all of the 2009 Bonds, subsection 15.J.(b) of the Original Resolution is hereby amended in its entirety to read as follows:

(b) There shall have been filed with the City Council of the Issuer a certificate of the City's Chief Financial Officer (i) setting forth the amount of Tax Increment Revenues for the Fiscal Year immediately preceding the date of sale of the proposed Additional Parity Obligations or, if determined or determinable based upon the adopted final budgets of the applicable taxing authorities, for the Fiscal Year in which such Additional Parity Obligations are sold, and (ii) stating that the Tax Increment Revenues described in (i) above equal at least 1.25 times the Maximum Bond Service Requirement on all Bonds then outstanding and on the proposed Additional Parity Obligations with respect to which such certificate is made.

By acceptance of the Series 2017 Bond, the Lender, as the initial registered owner of the Series 2017 Bond, shall be deemed to have irrevocably consented in writing to the amendment to the Original Resolution provided in this Section.

[Remainder of page intentionally left blank]

Section 27. Effective Date.

This Resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the Charter of the Issuer.

Adopted: November 9, 2017

[SEAL]

Approved: _____
Brian Spencer, Council President

ATTEST:

Ericka L. Burnett, City Clerk

EXHIBIT A

FORM OF SERIES 2017 BOND

**TRANSFER OF REGISTRATION OF THIS BOND IS RESTRICTED AS HEREIN
DESCRIBED AND AS DESCRIBED IN THE HEREIN DEFINED RESOLUTION.**

No. R-1

\$8,000,000

**CITY OF PENSACOLA, FLORIDA
URBAN CORE REDEVELOPMENT REVENUE BOND,
SERIES 2017**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Issue</u>
3.60%	April 1, 2040	November 15, 2017
Subject to reset and adjustment as herein described		

REGISTERED OWNER: SMARTBANK CORPORATION

PRINCIPAL AMOUNT: EIGHT MILLION DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Pensacola, Florida (the "Issuer"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the sources hereinafter mentioned, in installments, on the Principal Payment Dates indicated in Schedule 2 attached hereto and on the Maturity Date, or sooner as provided herein, the Principal Amount shown above and the interest on the outstanding Principal Amount hereof from the date of this Bond or from the most recent date to which interest has been paid, whichever is applicable, until payment of such Principal Amount, at the Interest Rate described above, subject to reset as herein described and adjustment as set forth in Schedule 1 attached hereto, 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 Chief Financial Officer for the Issuer, as Registrar and Paying Agent. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Interest due hereon shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

From the Date of Issue to the Initial Interest Rate Reset Date (as defined in the herein defined Resolution), the Interest Rate shall be as described above, subject to adjustment as provided in Schedule 1 hereof. From the Initial Interest Rate Reset Date to the Maturity Date

hereof, the Interest Rate shall be established as described in the Resolution, subject to adjustment as provided in Schedule 1 hereof.

The Issuer may prepay this Bond in whole on any date or in part on any Principal Payment Date on or after April 1, 2023, or in whole on April 1, 2020 upon at least 10 days' prior written notice to the Registered Owner at a price of par plus accrued interest to the date of prepayment, including without limitation interest accrued after the Accrual Date at the Adjusted Interest Rate and the Additional Amount (as such terms are defined in Schedule 1 attached hereto). Unless otherwise agreed to by the Registered Owner hereof, all prepayments of the principal of this Bond shall be increments of \$1,000 and shall be applied to the prepayment of principal in inverse order of the Principal Payment Dates indicated in Schedule 2 attached hereto.

This Bond is being issued in the principal amount \$8,000,000 to finance the costs of the Series 2017 Project of the Issuer under the authority of and in full compliance with the Constitution of the State of Florida, Chapter 163, Part III, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer and other applicable provisions of law, and Resolution No. 33-09 ("Resolution No. 33-09"), duly adopted by the City Council of the Issuer on October 8, 2009, as amended and supplemented, and as particularly supplemented by Resolution No. 17-78 ("Resolution No. 17-78"), duly adopted by the City Council of the Issuer on November 9, 2017 (collectively, the "Resolution"), to which reference should be made to ascertain those terms and conditions. The terms and provisions of the Resolution, including, without limitation, the definitions therein, are hereby incorporated as a part of this Bond. The principal of this Bond shall be disbursed by the Registered Owner hereof to the Issuer in immediately available funds on the Date of Issue in accordance with the Resolution.

This Bond is payable from and secured solely by the Pledged Revenues consisting primarily of the Tax Increment Revenues and, to the extent Tax Increment Revenues are insufficient to pay the Bond Service Requirements of this Bond under the Resolution, from certain Non-Ad Valorem Revenues budgeted and appropriated to cure such deficiencies, all in the manner provided in, and subject to the terms and conditions of, the Resolution. The lien upon and pledge of the Pledged Revenues securing this Bond is on a parity with the Issuer's outstanding Redevelopment Revenue Bonds, Series 2009A and Redevelopment Revenue Bonds, Series 2009B (Federally Taxable – Build America Bonds – Direct Payment) (collectively, the "Parity Obligations") and any Additional Parity Obligations hereafter issued, all in the manner provided in the Resolution. Anything provided in the Resolution to the contrary notwithstanding, this Bond shall not be entitled to payment from moneys in the Reserve Account and no deposit to the Reserve Account is being made with respect to this Bond.

The principal of and interest on this Bond and all required Sinking Fund and other payments shall be limited obligations of the Issuer, payable solely from and secured by an irrevocable lien upon and pledge of the Pledged Revenues on a parity with the Parity Obligations and any Additional Parity Obligations hereafter issued in accordance with the Resolution, as provided the Resolution, and to the extent Pledged Revenues are insufficient, from certain Non-Ad Valorem Revenues budgeted and appropriated for such purposes, all as further described in

the Resolution. This Bond shall not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State, or any political subdivision or public agency thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision or public agency thereof, nor the Issuer shall be obligated (1) to levy ad valorem taxes on any property to pay the principal hereof, the interest hereon, or other costs incidental hereto or to continue or maintain activities or services which generate Non-Ad Valorem Revenues, or (2) to pay the same from any other funds of the Issuer, except from the Pledged Revenues, and to the extent budgeted and appropriated therefor, the Non-Ad Valorem Revenues, all in the manner provided in the Resolution. Reference is made to the Resolution for the provisions relating to the security for payment of this Bond and the duties and obligations of the Issuer hereunder.

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

The Issuer waives its right to trial by jury in the event of any proceedings in state or federal courts to enforce the terms of this Bond or of the Resolution, and the Registered Owner, by its acceptance of this Bond, waives its right to trial by jury in any such proceedings.

In and by the Resolution the Issuer has made certain covenants and agreements with the Registered Owner of the Bond, and reference is hereby made to the Resolution for a description of such covenants and agreements. Pursuant to the Resolution, the Issuer has reserved the right to issue Additional Parity Obligations, payable on a parity with this Bond, in the manner, and upon the terms and conditions provided in the Resolution.

This Bond is subject to all the terms of the Resolution and Schedule 1 attached hereto.

Ownership of this Bond may be transferred or assigned only as a whole and only upon the Register. Transfer of this Bond (i) shall be restricted to Permitted Lenders and (ii) is not permitted in the event the remaining principal amount outstanding thereof is less than \$100,000.

By acceptance hereof, the Registered Owner hereof is deemed to have irrevocably consented in writing to the amendment to Resolution No. 33-09 provided in Section 26 of Resolution No. 17-78.

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

IN WITNESS WHEREOF, the City of Pensacola, Florida, has issued this Bond and has caused the same to be executed by the manual signature of the Mayor, attested under seal by the City Clerk, approved as to substance by the Chief Financial Officer, and designated legal in form and valid as drawn by the City Attorney, as of the Dated Date set forth above.

CITY OF PENSACOLA, FLORIDA

[SEAL]

By: _____
Ashton J. Hayward, III, Mayor

ATTEST:

By: _____
Ericka L. Burnett City Clerk

Approved as to Substance:

By: _____
Richard Barker, Jr.
Chief Financial Officer

Legal in Form and Valid as Drawn:

By: _____
Lysia H. Bowling
City Attorney

CERTIFICATE OF AUTHENTICATION OF REGISTRAR

This Bond constitutes the Urban Core Redevelopment Revenue Bond, Series 2017, as herein described. The Principal Amount, Interest Rate, Maturity Date and Registered Owner shown above are correct in all respects and have been recorded, along with the applicable federal taxpayer identification number and the address of the Registered Owner, in the Register maintained at the principal office of the undersigned.

CHIEF FINANCIAL OFFICER OF THE
CITY OF PENSACOLA, FLORIDA, as
Registrar

Date of Authentication

SCHEDULE 1 TO SERIES 2017 BOND

ADJUSTMENTS TO INTEREST RATE IN CERTAIN EVENTS

The Interest Rate on the Series 2017 Bond shall be subject to adjustment as provided herein and in the Resolution. The Registered Owner shall provide to the Issuer such documentation to evidence any adjustment to the Interest Rate and the calculations made in connection therewith. All calculations and determinations by the Registered Owner of the amounts payable pursuant to the following Interest Rate adjustment provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

Upon the occurrence of a Determination of Taxability, the interest rate on the Series 2017 Bond shall be adjusted to the Adjusted Interest Rate as of the Accrual Date (as such terms are defined below); and (i) the Issuer shall, on the next Interest Payment Date (or if the Series 2017 Bond shall have matured, within thirty (30) days after demand by the Registered Owner of the Series 2017 Bond), pay to the Registered Owner of the Series 2017 Bond an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on the Series 2017 Bond at the Adjusted Interest Rate from the Accrual Date to such next Interest Payment Date (or the Maturity Date), and (B) the actual interest paid by the Issuer on the Series 2017 Bond from the Accrual Date to such next Interest Payment Date (or the Maturity Date), and (2) any interest and penalties required to be paid as a result of any additional federal income taxes imposed upon such Registered Owner arising as a result of such Determination of Taxability (collectively, the "Additional Amount"); and (ii) from and after such next Interest Payment Date, the Series 2017 Bond shall continue to bear interest at the Adjusted Interest Rate for the period such Determination of Taxability continues to be applicable with respect to the Series 2017 Bond. This adjustment shall survive payment of the Series 2017 Bond until such time as the federal statute of limitations under which the interest on the Series 2017 Bond could be declared taxable under the Code shall have expired.

"Accrual Date" means the date from which the interest payable on the Series 2017 Bond shall be includable for federal income tax purposes in the gross income of the Registered Owner thereof as a result of a Determination of Taxability.

"Adjusted Interest Rate" means initially an interest rate equal to 4.87% per annum. The Adjusted Interest Rate shall be established on the Interest Rate Reset Date.

Notwithstanding anything in the foregoing to the contrary, upon the occurrence and during the continuation of an Event of Default, the Interest Rate shall be established at a rate at all times equal to the Default Rate.

Notwithstanding any provision in the Resolution or the Series 2017 Bond to the contrary, in no event shall the Interest Rate exceed the maximum interest rate permitted by applicable law.

SCHEDULE 2 TO SERIES 2017 BOND

BOND SERVICE REQUIREMENTS FOR THE SERIES 2017 BOND

Principal Payment Date (April 1)	Amortization Installment
2018	\$ 125,000
2019	125,000
2020	125,000
2021	125,000
2022	125,000
2023	125,000
2024	125,000
2025	125,000
2026	125,000
2027	125,000
2028	393,000
2029	411,000
2030	430,000
2031	449,000
2032	469,000
2033	490,000
2034	512,000
2035	535,000
2036	560,000
2037	585,000
2038	611,000
2039	638,000
2040*	667,000
Total	\$8,000,000

*Maturity Date

EXHIBIT B

FORM OF PURCHASER'S CERTIFICATE

We certify that the following are true and correct in relation to the loan by Smart Bank (the "Lender") of \$8,000,000 evidenced by the Urban Core Redevelopment Revenue Bond, Series 2017 (the "Bond") dated November 15, 2017, and issued by the City of Pensacola, Florida (the "Issuer") pursuant to Resolution No. 33-09 duly adopted by the Issuer on October 8, 2009, as amended and supplemented, and as particularly supplemented by Resolution No. 17-78, duly adopted by the Issuer on November 9, 2017 (the "Resolution"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto by the Resolution.

1. The Lender is an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933 (the "1933 Act") or a "qualified institutional buyer" (as defined under Rule 144A of the 1933 Act).

2. The Lender is a corporation that is engaged as a regular part of its business in making loans.

3. The Lender has made its own inquiry and analysis with respect to the Issuer, the Bond and the security therefor, and other material factors affecting the security for and payment of the Bond.

4. The Lender has received the financial information requested by the Lender from the Issuer in connection with the Bond and has been afforded the opportunity to examine such documents and receive such written information concerning the terms and conditions of the Bond and the financial condition and creditworthiness of the Issuer as the Lender has deemed necessary to receive in connection with determining whether to make the loan evidenced by the Bond.

5. The Lender has not relied upon any representations made by any officials of the Issuer, its agents, employees, counsel or representatives, in reaching its decision to make the loan evidenced by the Bond, other than the certificates, opinions, resolutions, or other documents executed in relation to the delivery to the Lender of the Bond, but has relied solely upon the documentation referred to in this and the preceding paragraph.

6. The Lender understands that (i) the loan is evidenced by the Bond, (ii) there is only one Bond and the aggregate principal amount of the Bond is the Principal Amount set forth on such Bond, (iii) the Bond may not be transferred except in whole, and (iv) any transfer (A) must be to a Permitted Lender, (B) is not permitted in the event the remaining principal amount outstanding of the Bond is less than \$100,000, and (C) is subject to consent of the Issuer, which consent shall not be unreasonably withheld.

“Permitted Lender” means any bank, trust company, savings institution, insurance company, dealer, investment company or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes, that is engaged as a regular part of its business in making loans and is authorized to do business in the State of Florida.

7. The Lender is not acting as a broker or other intermediary and is acquiring the Bond, as evidence of a privately negotiated loan, from its own capital for its own accounts and not with a view to the resale or other distribution of all or any part thereof or any interest therein to others.

8. The Lender acknowledges that it is permitted to transfer the Bond only upon compliance with the requirements of the Resolution and the Bond.

9. The interest rate established for the Bond was established at arms length between the Lender and the Issuer.

10. The Lender further represents, warrants and covenants that:

(i) it is not funding the loan represented by the Bond 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;

(ii) it understands that no CUSIP will be obtained with respect thereto; and

(iii) it understands the Bond carries no rating from any credit rating agency.

This letter is furnished by us as Lender based solely on our knowledge on the day hereof and is solely for the benefit of the Issuer and Bryant Miller Olive P.A., as Bond Counsel for the Issuer, and may not be relied upon by or published or communicated to, any other person without our express written consent. The Lender disclaims any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to the Lender’s attention.

SMARTBANK CORPORATION

By: _____
Name: Ric Nickelsen
Title: Vice President

EXHIBIT C

FORM OF DISCLOSURE LETTER

The undersigned, as Lender, proposes to negotiate with the City of Pensacola, Florida (the "Issuer") for the private purchase of its \$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 ("Series 2017 Bond"). Prior to the award of the Series 2017 Bond, the following information is hereby furnished to the Issuer:

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 2017 Bond (such fees and expenses to be paid by the Issuer):

\$[_____]
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 2017 Bond 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 Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Lender or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2017 Bond.

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 2017 Bond is being issued primarily to finance the cost of the Series 2017 Project as defined in Resolution No. 17-78 adopted by the Issuer on November 9, 2017 (the "2017 Resolution") and reimburse the Issuer for any Project Costs, as defined in the 2017 Resolution. Unless earlier prepaid, the Series 2017 Bond is expected to be repaid by April 1, 2040. At an initial fixed interest rate of 3.60%, total interest paid over the life of the Series 2017 Bond is projected to equal \$ _____ and issuance of the Series 2017 Bond will result in a projected maximum of approximately \$ _____ of Pledged Revenues of the Issuer not being available to finance other services of the Issuer during the life of the Series 2017 Bond.

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

SmartBank Corporation
201 North Palafox Street
Pensacola, Florida 32502

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Lender this ___ day of November, 2017.

SMARTBANK CORPORATION

By: _____

Name: Ric Nickelsen

Title: Vice President

EXHIBIT D

PROPOSAL OF LENDER

[Follows]



October 27, 2017

Honorable Mayor and City Council
City of Pensacola, Florida

Re: City of Pensacola, Florida Urban Core District Community Redevelopment Note,
Series 2017

Please accept this letter as a commitment of SmartBank or the "Bank" to purchase the
above captioned Bonds upon the terms and conditions outlined below:

Issuer: City of Pensacola, Florida.

Amount: Not to exceed \$8,000,000 (Eight Million Dollars)

Purpose of Issue: The Note proceeds will be used to finance various improvements
within the Urban Core community redevelopment area (collectively the "Project").

Authority for Issue: Provisions of the Florida Constitution, the Charter of the City of
Pensacola, Florida, as amended; Chapter 166, Part II of the Florida Statutes, Chapter 163, Florida
Statutes, and any other valid constitutional and statutory authority.

Dated Date of Note: Date of Delivery.

Form of Certificates: The Note will be issued as a single typewritten or printed
certificate, in fully registered form.

Interest Rate & Term:

<u>Final Maturity</u> *	<u>Annual Interest Rate</u> **
Maturing April 1, 2040 – fully amortized***	3.60%

* The Bank would fully fund the loan on the day we close the loan.

** The quoted fixed interest rate is contingent upon the Issuer accepting our proposal by no later
than 15 days from the date of this letter. If the Issuer accepts our proposal by the stipulated

time, we will hold the above referenced fixed interest rate firm, provided that the Note is closed (fully funded) no later than November 30, 2017. Should the Note not be funded by November 30, 2017, a higher rate could apply, which would be based upon market conditions at the time the loan is actually closed. In addition, the rate shall be subject to adjustment on April 1, 2020, based on the 20 Year Treasury Constant Maturity Rate Plus 1.10%.

***Our pricing is based on the loan being amortized over a 22.5 year term utilizing approximately level debt. The loan would have a "final maturity" of no later than April 1, 2040.

Interest and Principal Payments: Interest would be calculated on a 30 over 360 day basis. Interest and principal would be payable semi-annually. The interest payments would be due on April 1 and October 1 of each year commencing April 1, 2018 and principal payments due on each April 1, commencing April 1, 2018; see the attached "sample" amortization schedule. Although the dates and amounts could change, in all cases the final maturity date would need to occur no later than April 1, 2040.

Prepayment Provisions: The principal may be prepaid in whole on any date on and after April 1, 2023 with 10 days advance written notice to the Bank without prepayment penalty. Principal may be prepaid in part on any principal payment date on and after April 1, 2023 with 10 days advance written notice to the Bank without prepayment penalty, provided that the Issuer pays all accrued interest which shall have accrued to the date of prepayment and provided further that any principal prepayments shall be in multiples of one-thousands (\$1,000.00). In addition, the Issuer shall have an ability to prepay the loan on whole on April 1, 2020 at a price of par plus accrued interest to such date. Prepayments in part shall be deemed to apply to those principal installments with the latest maturities of the Bonds in inverse order.

Credit Approval: Already approved.

Security: The Bonds would be secured by a pledge of the tax increment revenues generated within the Issuer's Urban Core Community Redevelopment Area, on a parity with the Issuer's Series 2009 Bonds, and by a covenant to budget and appropriate legally available non-ad valorem revenues of the Issuer on a basis similar to that applicable to the Series 2009 Bonds.

Additional Debt: The Issuer would be permitted to issue additional debt on parity with the Note and the Series 2009 Bonds provided that the tax increment revenues are equal to not less than 1.25 times the maximum annual debt service for the existing and proposed debt.

Documentation: All documentation would need to be acceptable to the Bank and "Bank Counsel". The Bank and Bank Counsel would need to review and approve all documentation prior to adoption and/or acceptance by the Issuer's City Council. The loan documentation would include standard terms, conditions, and covenants which are customary for this type of financing.

We understand that Bond Counsel will be Bryant Miller Olive, P.A. Bond Counsel would draft the loan documents and issue the customary legal and tax opinions. The Issuer's Local Counsel would also issue an opinion letter as to the due authorization and validity of the authorizing documents and the Note. Based on this, the role of "Bank Counsel" would be that of a "review function" only. We have outlined the cost of Bank Counsel in the paragraph captioned "Closing costs, fees and expenses" presented below.

Additional Terms and Conditions:

* All legal and tax opinions would be addressed to the Bank and be in a form and substance acceptable to the Bank. The Issuer's legal counsel would opine as to the authority, legality, validity and enforceability of any pertinent ordinances, the Authorizing Resolution, the Note, and such other proceedings of the City Commission and CRA Board as the Bank and Bank Counsel may deem necessary.

* The Issuer would covenant to use the proceeds of the Bonds only for those projects which are eligible to receive the tax increment revenue distributions.

* No Impairment: the pledge of the tax increment revenues will not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the CRA or the City.

* The Issuer would be required to do all things necessary (including taking legal action should it be necessary) to enforce the receipt of the tax increment revenues.

* The Issuer would warrant in the loan documents that the tax increment revenues are not currently pledged to any other obligations or debts, other than the Issuer's Series 2009 Bonds.

* Prior to funding the Note the Issuer would furnish to us a final "Sources and Uses" of funds statement, based on the final numbers.

* Prior to closing the Note the Issuer would provide to the Bank a certificate to the effect that (i) the financial statements were prepared in accordance with GAAP and fairly present the financial condition of the Issuer and the CRA, respectively, as of their date, and (ii) since the date of the information presented in the 2016 audit (latest audit available at this time) there has been no material adverse change in the financial condition of the City and the CRA, respectively, or the pledged sources of repayment.

* We would require that the interest rate on the loan be "grossed up" and applied retroactively to the date of any event of taxability should it be determined by the Internal Revenue Service that the tax status of the Note has changed due to the actions or inaction of the Issuer. Such "gross up" would not exceed any statutory limit imposed by the State of Florida and would be equal to the tax equivalent yield as originally contemplated by the Bank.

October 27, 2017

* Provision would be made for a "default interest rate" equal to 18% or any statutory interest rate limitation imposed by the State of Florida, whichever is less.

* The loan documentation would define standard events of default as are customary for this type of transaction and would provide reasonable remedies to the Bank in the event of default under the loan documents, but would exclude the right of acceleration unless other loans secured by the same revenue sources are granted such rights.

* The Issuer, immediately upon receiving knowledge of an event of default, would provide written notice to the Bank in the event of default.

* The Issuer would reimburse the Bank (or its agent e.g., receiver, trustee, etc.) for all reasonable legal and collection costs to exercise its remedies or collect its payments for the loan in the event of default.

* The Bank's remedies could be exercised independently of all other series of debt obligations of the Issuer and would require no other noteholders', bondholders' or creditors' approvals to exercise such remedies in the event of default.

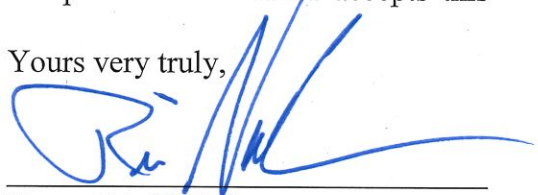
* The Issuer would provide to the Bank (at no cost) the following information: a copy of its audited financial statement annually (automatically within 210 days after fiscal year end or whenever it becomes available, whichever occurs first), annual operating budgets (if requested by the Bank), and such other financial information as the Bank may reasonably request.

Closing costs, fees and expenses: The Bank would charge no fees and assess no closing costs for its own benefit. However, we would require the Issuer to reimburse the Bank for "Bank Counsel" expenses. Bank Counsel's fee will not exceed \$6,000 if its role is limited to a "review" function only. All other legal expense i.e., Bond Counsel and the Issuer's Local Counsel would be paid directly by the Issuer. See the "Documentation" paragraph above for more detail.

Delivery: As soon as possible after all approvals, but in any event the loan would be closed no later than November 30, 2017 in order for us to hold firm the quoted fixed rate of interest.

This proposal shall remain valid November 30, 2017 provided the Issuer accepts this proposal within 15 days from the date of this letter.

Yours very truly,



Name: Ric Nickelsen

Title: Vice President, SmartBank

Accepted and Approved:

The City of Pensacola Community Redevelopment Agency and the City of Pensacola, Florida have accepted this Financing Proposal from SmartBank and hereby selects SmartBank to finance the above referenced Project.

Approved and accepted: As of this ____ day of November, 2017.

EXHIBIT E

FORM OF INTERLOCAL AGREEMENT

[Follows]

INTERLOCAL AGREEMENT

between

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, FLORIDA

and

THE CITY OF PENSACOLA, FLORIDA

**INTERLOCAL AGREEMENT
URBAN CORE REDEVELOPMENT REVENUE BONDS**

This INTERLOCAL AGREEMENT made and entered into this ___ day of November, 2017 (herein, the "Agreement"), by and between THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, FLORIDA, a public body corporate and politic of the State of Florida (the "Agency"), and the CITY OF PENSACOLA, FLORIDA, a municipal corporation of the State of Florida (the "City");

WITNESSETH:

WHEREAS, on September 25, 1980, the City Council of the City (the "City Council") adopted Resolution No. 55-80 which created the Community Redevelopment Agency of the City of Pensacola, Florida and declared the City Council to be the Agency as provided in Section 163.357, Florida Statutes; and

WHEREAS, pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council designated the boundaries and found and determined that an area designated therein as the "Urban Core Community Redevelopment Area" is a blighted area as therein described and that the rehabilitation, conservation and redevelopment is necessary and in the public interest; and

WHEREAS, pursuant to Sections 163.2520 and 163.387, Florida Statutes, on March 8, 1984, the City Council enacted Ordinance No. 13-84, creating and establishing the Urban Core Community Redevelopment Trust Fund; and

WHEREAS, pursuant to Resolution No. 15-84, on March 17, 1984, the City Council approved the Community Redevelopment Plan for the Urban Core Community Redevelopment Area, dated March 1984 (the "1984 Plan") and the Community Redevelopment Project described therein, which 1984 Plan was modified and amended pursuant to Resolution No. 19-89 adopted by the City Council on April 6, 1989, and subsequently repealed and replaced with the "Urban

Core Community Redevelopment Plan 2010" pursuant to Resolution No. 02-10 adopted by the City Council on January 14, 2010; and

WHEREAS, the Agency is responsible for implementation of community redevelopment plans providing for the redevelopment, rehabilitation and improvement of community redevelopment areas in the City; and

WHEREAS, the City and the Agency have determined to redevelop and revitalize the Urban Core Community Redevelopment Area as a visibly attractive, economically viable, and socially desirable area of the City; and

WHEREAS, pursuant to Resolution No. 33-09 adopted by the City Council of the City on October 8, 2009 (the "Original Bond Resolution"), the City previously issued its City of Pensacola, Florida Redevelopment Revenue Bonds, Series 2009A and Redevelopment Revenue Bonds, Series 2009B (Federally Taxable-Build America Bonds – Direct Payment) in the original aggregate principal amount of \$45,640,000 (collectively, the "2009 Bonds") to finance the 2009 Project (as defined in the Original Bond Resolution) in the Urban Core Community Redevelopment Area; and

WHEREAS, pursuant to Section 15.M. of the Original Bond Resolution, the City provided a covenant to budget and appropriate Non-Ad Valorem Revenues (as defined in the Original Bond Resolution) sufficient after application of other Pledged Revenues and Federal Direct Payments (as such terms are defined in the Original Bond Resolution) to pay debt service on the 2009 Bonds in order to provide additional credit support for the 2009 Bonds; and

WHEREAS, at the request of the Agency, the City is issuing its City of Pensacola, Florida Urban Core Redevelopment Revenue Bond, Series 2017 (the "2017 Bond") in the original aggregate principal amount of \$8,000,000, pursuant to the Original Bond Resolution, as supplemented by Resolution No. 17-78 adopted by the City Council of the City on November 9, 2017 (the "2017 Resolution" and, together with the Original Bond Resolution, the "Bond Resolution") to finance the 2017 Project (as defined in the 2017 Resolution) in the Urban Core Community Redevelopment Area; and

WHEREAS, pursuant to Section 12 of the 2017 Resolution, the City has covenanted to budget and appropriate Non-Ad Valorem Revenues to the extent Pledged Revenues are all insufficient in any Fiscal Year to pay debt service on the 2017 Bond in an amount sufficient to cure such deficiency in order to provide additional credit support for the 2017 Bonds; and

WHEREAS, in accordance with the intent and purpose of Section 163.01, Florida Statutes, the parties have elected to enter into this Agreement to jointly and collectively provide for the acceptance by the Agency of the issuance of the 2017 Bond by the City and to document and evidence the intent and obligation of the Agency to repay the City any payment by the City from Non-Ad Valorem Revenues for debt service on the 2009 Bonds pursuant to Section 15.M.

of the Original Bond Resolution or on the 2017 Bond pursuant to Section 12 of the 2017 Resolution, as provided herein; and

WHEREAS, the City Council and the Agency have determined that this Agreement and the 2017 Project and expenditures contemplated hereunder serve public purposes and are appropriate and necessary undertakings in furtherance of redeveloping the Urban Core Community Redevelopment Area consistent with the Urban Core Community Redevelopment Plan.

NOW, THEREFORE, in consideration of the mutual covenants of and benefits derived from this Agreement, the sufficiency of which is hereby acknowledged by the City and the Agency agree as follows:

Section 1. Authority. This Agreement is entered into pursuant to and under the authority of the City Charter; Section 163.01, Florida Statutes; the Community Redevelopment Act of 1969 (the "Act"), codified in Part III, Chapter 163, Florida Statutes; Chapter 166, Florida Statutes, and other applicable law, as amended and supplemented.

Section 2. Incorporation of Recitals. The recitals set forth above are hereby incorporated into the terms of this Agreement.

Section 3. Definitions. Unless the context otherwise requires, all terms used herein shall have the meanings assigned to such terms in the Bond Resolution.

Section 4. 2017 Bond Accepted; Obligation to Repay City.

(A) The City's issuance of the 2017 Bond is hereby acknowledged by the Agency, and the Agency hereby confirms, consents to and accepts the terms thereof and as set forth in the Bond Resolution.

(B) The Agency hereby covenants to fund, pay, reimburse and repay the City the amounts due under the 2017 Bond and the Bond Resolution, including payment of the principal of and interest on the 2017 Bond. The Agency hereby pledges the Tax Increment Revenues to the City and shall pay the amounts due hereunder from Tax Increment Revenues or from any other funds of the Agency legally available for such purpose. To the extent that the Pledged Revenues and Federal Direct Payments are insufficient to fully pay the principal of and interest on the 2009 Bonds or the Tax Increment Revenues are insufficient to fully pay the principal of and interest on the 2017 Bond all in accordance with the Bond Resolution, and the City has budgeted, appropriated and used any Non-Ad Valorem Revenues for the payment thereof in accordance with the terms of Section 15.M. of the Original Bond Resolution with respect to the 2009 Bonds or Section 12 of the 2017 Resolution with respect to the 2017 Bond (an "Advance"), the Agency shall repay such Advance and pay interest on such Advance at the "WSJ Prime Rate" published by *The Wall Street Journal* or such other prime rate as published by such other

publication as the City's Chief Financial Officer may reasonably designate in substantially equal annual installments commencing in the Fiscal Year following the date of such Advance with the final installment due April 1, 2040. In the event Tax Increment Revenues are not sufficient in any year to pay an installment then due, such installment shall be treated as an additional Advance and amortized as provided above. The obligations of the Agency described in this Section 4.(B) are cumulative and shall continue until amounts due hereunder and under the Bond Resolution are fully paid. The obligation of the Agency to pay the City the amount of any Advance and interest thereon shall be junior and subordinate in all respects to the Agency's obligation hereunder to make payments sufficient to pay the 2009 Bonds, the 2017 Bond and any Additional Parity Obligations issued in accordance with the Bond Resolution. Anything provided herein or in the Bond Resolution to the contrary notwithstanding, and to the extent permitted by applicable law, that portion of the Tax Increment Revenues paid by Escambia County, Florida and the Downtown Improvement Board shall be applied to make payments required hereunder prior to that portion of the Tax Increment Revenues paid by the City.

Section 5. Term. This Agreement shall become effective upon execution by the Parties and continue in full force and effect until the obligations hereunder approved by this Agreement, including principal and accumulated interest, has been fully repaid.

Section 6. Amendments. This Agreement may be amended by the mutual written agreement of all parties at any time and from time to time, which amendments shall become effective upon filing thereof in the public records of Escambia County, Florida, pursuant to Section 163.01(11), Florida Statutes.

Section 7. Assignment. No party to this Agreement may, directly or indirectly, assign or transfer any or all of their duties, rights, responsibilities, or obligations under this Agreement to any other party or person not a party to this Agreement, without the express prior approval of the other party to this Agreement.

Section 8. Severability. The provisions of this Agreement are severable, and it is the intention of the parties hereto to confer the whole or any part of the powers herein provided for and if any of the provisions of this Agreement or any other powers granted by this Agreement shall be held unconstitutional, invalid or void by any court of competent jurisdiction, the decision of said court shall not affect or impair any of the remaining provisions of this Agreement. It is hereby declared to be the intent of the parties hereto that this Agreement would have been adopted, agreed to, and executed had such unconstitutional, invalid or void provision or power not been included therein.

Section 9. Controlling Law; Venue. Any and all provisions of this Agreement and any proceeding seeking to enforce and challenge any provision of this Agreement shall be governed by the laws of the State of Florida. Venue for any proceeding pertaining to this Agreement shall be Escambia County, Florida.

Until notice of a change of address is received, a party may rely upon the last address received. Notice shall be deemed given, if notice is by mail on the date mailed to the address set forth above or as changed pursuant to this Article.

Section 13. Execution of Agreement. This Agreement shall be executed in the manner normally used by the parties hereto. If any officer whose signature appears on this Agreement ceases to hold office before all officers shall have executed this Agreement or prior to the filing and recording of this Agreement as provided in this Article, his or her signature shall nevertheless be valid and sufficient for all purposes. This Agreement shall bear the signature of, or may be signed by, such individuals as at the actual time of execution of this Agreement thereby shall be the proper and duly empowered officer to sign this Agreement and this Agreement shall be deemed to have been duly and properly executed even though on the Effective Date any such individual may not hold such office.

Section 14. Limited Obligation. Neither the full faith and credit of the City, the Agency or of the State of Florida or any political subdivision thereof is pledged to meet the funding obligations hereunder, and no party shall ever have the right to compel any exercise of any ad valorem taxing power of the City, the Agency or of the State of Florida or any political subdivision thereof, directly or indirectly to enforce any payment or funding of money provided for hereunder. This Agreement shall not constitute a lien upon any property of the City or the Agency except in the manner and to the express extent described herein.

Section 15. City and Agency Not Liable. Nothing contained in this Agreement shall be construed or deemed, nor is intended, or impose any obligation upon the City or the Agency except to the extent expressly assumed by the City or the Agency, respectively.

Section 16. Filing with County Clerk of the Court. The City is hereby authorized and directed after approval of this Agreement by the Agency and the City and the execution hereof to submit this Agreement to the Clerk of the Court of Escambia County, Florida, for filing in the public records of Escambia County, Florida, as provided by Section 163.01(11), Florida Statutes.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, by and through the undersigned, have entered into this Interlocal Agreement as of the day and year first above written.

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF
PENSACOLA, FLORIDA

Attest:

Jewel Cannada-Wynn, Chairwoman

Ericka L. Burnett, City Clerk

CITY OF PENSACOLA, FLORIDA

Ashton J. Hayward, III, Mayor

Legal in Form and Valid as Drawn:

Attest:

Lysia Bowling, City Attorney

Ericka L. Burnett, City Clerk

Approved as to Content:

Approved as to Content:

Richard Barker, Jr.
Chief Financial Officer

M. Helen Gibson
Community Redevelopment Agency
Administrator

[Signature Page to Interlocal Agreement]

EXHIBIT F

REPORT AND CERTIFICATE OF CHIEF FINANCIAL OFFICER

EXHIBIT F

REPORT AND CERTIFICATE OF CHIEF FINANCIAL OFFICER

On October 8, 2009, City Council approved resolution No. 33-09 providing for the issuance of the Redevelopment Revenue Bonds, Series 2009A and Redevelopment Revenue Bonds, Series 2009B (Federally Taxable - Build America Bonds - Direct Payments). Resolution No. 33-09 allows for the issuance of additional parity obligations provided the Chief Financial Officer [Director of Finance] of the City of Pensacola provides certain assurances as outlined in Section 15.J.(a) and 15.J.(c), collectively referred to as the Report and Certificate of the Chief Financial Officer.

The Chief Financial Officer hereby reports that the Urban Core Redevelopment Revenue Bond, Series 2017 estimated capital costs of projects proposed to be financed total \$7,930,000 and include the acquisition of land, construction of certain streetscape projects and sidewalk enhancements totaling \$6,892,963, the estimated cost for partial funding of the Bay Ferry Project of \$787,037 and the estimated Jefferson Street Road Diet Project of \$250,000. These projects are expected to be completed within thirty-six (36) months of the bond closing date. The Bond Service Requirements estimated as of this date are set forth in Schedule 1 attached hereto. Projected annual expenses of the operation and maintenance of the projects are not expected to exceed seventy-five thousand (\$75,000) per year. There are no projected annual costs for renewals, replacements or additions related to the projects nor is there expected to be any annual revenues derived from facilities proposed to be constructed.

The Chief Financial Officer hereby certifies that the annual budgeted revenues for fiscal year 2018 will be sufficient to pay all fiscal year 2018 expenses to be incurred in the operation of the Urban Core Community Redevelopment Area, the Bond Service Requirement (calculated in accordance with Section 4 of the definition of "Bond Service Requirement" defined in Resolution No. 33-09) on the Redevelopment Revenue Bonds, Series 2009B (Federally Taxable - Build America Bonds - Direct Payments) and the Bond Service Requirement on the Urban Core Redevelopment Revenue Bond, Series 2017.

CHIEF FINANCIAL OFFICER OF THE
CITY OF PENSACOLA, FLORIDA

Date of Authentication

SCHEDULE 1 TO REPORT AND CERTIFICATE OF CHIEF FINANCIAL OFFICER

ESTIMATED BOND SERVICE REQUIREMENTS

Period Ending (September 30)	2017 Bond	Maritime D/S	Aggregate Bond Service Requirement
2018	\$ 245,284.44	\$ 3,109,200	\$3,354,484.44
2019	438,425.00	3,110,800	3,549,225.00
2020	433,450.00	3,110,700	3,544,150.00
2021	428,475.00	3,126,900	3,555,375.00
2022	423,500.00	3,127,500	3,551,000.00
2023	418,525.00	3,125,637	3,544,162.00
2024	413,550.00	3,126,378	3,539,928.00
2025	408,575.00	3,124,456	3,533,031.00
2026	403,600.00	3,125,766	3,529,366.00
2027	398,625.00	3,128,772	3,527,397.00
2028	661,650.00	3,128,236	3,789,886.00
2029	664,008.60	3,129,161	3,793,169.60
2030	666,650.80	3,126,308	3,792,958.80
2031	668,536.80	3,124,678	3,793,214.80
2032	670,666.60	3,129,036	3,799,702.60
2033	673,000.40	3,128,909	3,801,909.40
2034	675,498.40	3,124,297	3,799,795.40
2035	678,120.80	3,125,960	3,804,080.80
2036	681,827.80	3,127,702	3,809,529.80
2037	684,539.80	3,129,288	3,813,827.80
2038	687,256.80	3,125,485	3,812,741.80
2039	689,939.00	3,126,293	3,816,232.00
2040*	693,546.60	3,126,243	3,819,789.60
Total	\$12,807,251.84	\$71,867,705	\$84,674,956.84

*Maturity Date