
LOAN AGREEMENT

Dated as of July 23, 2014

By and Between

THE CITY OF FORT PIERCE, FLORIDA

and

SUNTRUST BANK

TABLE OF CONTENTS

(The Table of Contents for this Loan Agreement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Loan Agreement.)

	<u>Page</u>
ARTICLE I DEFINITION OF TERMS	1
Section 1.01. Definitions	1
Section 1.02. Interpretation	4
Section 1.03. Titles and Headings	4
ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE PARTIES	4
Section 2.01. Representations and Warranties of City	4
Section 2.02. Representations and Warranties of Lender.....	5
ARTICLE III THE 2014 NOTES	5
Section 3.01. Purpose and Use	5
Section 3.02. The 2014 Notes.....	5
Section 3.03. Adjustments to 2014A Note Interest Rate.....	6
Section 3.04. Conditions Precedent to Issuance of 2014 Notes	7
Section 3.05. Registration of Transfer; Assignment of Rights of Lender	8
Section 3.06. Ownership of the 2014 Notes	9
Section 3.07. Use of Proceeds of 2014 Notes Permitted Under Applicable Law	10
Section 3.08. Authentication	10
ARTICLE IV COVENANTS OF THE CITY	10
Section 4.01. Performance of Covenants	10
Section 4.02. Payment of 2014 Notes	10
Section 4.03. Covenants Applicable to Marina	10
Section 4.04. Issuance of Other Obligations	12
Section 4.05. Tax Covenant.....	13
Section 4.06. Financial Disclosures.....	13
Section 4.07. Compliance with Laws and Regulations	13
Section 4.08. No Impairment.....	13
ARTICLE V EVENTS OF DEFAULT AND REMEDIES	13
Section 5.01. Events Of Default	13
Section 5.02. Notice of Default	14
Section 5.03. Remedies	14
Section 5.04. Remedies Cumulative.....	14
ARTICLE VI MISCELLANEOUS PROVISIONS	14
Section 6.01. Covenants of City, Etc.; Successors	14
Section 6.02. Term of Agreement	15
Section 6.03. Amendments and Supplements	15
Section 6.04. Notices	15
Section 6.05. Benefits Exclusive	15

Section 6.06.	Severability	15
Section 6.07.	Payments Due on a Non-Business Day	16
Section 6.08.	Counterparts	16
Section 6.09.	Applicable Law	16
Section 6.10.	No Personal Liability	16
Section 6.11.	Incorporation by Reference	16
Section 6.12.	Waiver of Jury Trial	17
Section 6.13.	Documentary and Intangible Taxes.....	17
Exhibit A	Form of 2014 Notes	A-1
Exhibit B	Description of the Marina	B-1

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), made and entered into this 23rd day of July, 2014 by and between **THE CITY OF FORT PIERCE, FLORIDA** (the "City"), a municipal corporation of the State of Florida, and **SUNTRUST BANK**, a Georgia banking corporation, and its successors and assigns (the "Lender").

WITNESSETH:

WHEREAS, capitalized terms used in these recitals and not otherwise defined shall have the meanings specified in Article I of this Agreement;

WHEREAS, the City, pursuant to the provisions of the Florida Constitution, Chapter 166 Florida Statutes, Part VI, Chapter 218, Florida Statutes and other applicable provisions of law (all of the foregoing, collectively, the "Act"), and Resolution No. _____, adopted by the City on July 21, 2014 (the "Resolution"), is authorized to borrow money, and more particularly issue the 2014A Note and the 2014B Note (collectively, the "2014 Notes") described below for the City's public purposes; and

WHEREAS, in response to a request for proposal regarding an intended borrowing to construct various capital improvements to the City owned and operated marina (the "Project"), the Lender submitted its proposal dated June 19, 2014 to the City (the "Proposal"); and

WHEREAS, the City has accepted the Proposal and the Lender is willing to purchase the 2014 Notes, but only upon the terms and conditions of this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITION OF TERMS

Section 1.01. Definitions. Capitalized terms used in this Agreement shall have the respective meanings as follows unless the context clearly requires otherwise:

"Agreement" shall mean this Loan Agreement and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Authorized Denominations" shall mean minimum denominations of \$100,000.

"Bond Counsel" shall mean, Akerman LLP, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion of interest on obligations issued by states and political subdivisions from federal income taxation hired by the City to render an opinion on such matters with regard to the 2014 Notes.

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

"City Clerk" shall mean the City Clerk or any deputy or assistant city clerk of the City and such other person as may be duly authorized to act on his or her behalf.

"City Manager" shall mean the City Manager of the City and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

"Debt Service" means principal and interest, and other debt-related costs, due in connection with the 2014 Notes and any debt payable from any of the Pledged Revenues on parity thereof.

"Default Rate" shall mean the lesser of (i) 18% per annum, and (ii) the maximum lawful rate.

"Event of Default" shall mean an Event of Default as defined in Section 5.01 of this Agreement.

"Event of Taxability" shall mean the occurrence of any event, no matter the nature or the cause of the event, after the date hereof that changes the ability of the Lender to exclude all or a portion of the interest on the 2014A Note from its gross income for federal income tax purposes.

"Finance Director" shall mean the City's Finance Director or such other person as may be duly authorized to act on his or her behalf.

"Fiscal Year" shall mean the 12-month period commencing October 1 of each year and ending on the succeeding September 30, or such other 12-month period as the City may designate as its "fiscal year" as permitted by law.

"Governmental Authority" shall mean the government of the United States of America and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Half-Cent Sales Tax" means any and all proceeds of the local government half-cent sales tax distributed to the City from the Local Government Half-Cent Sales Tax Clearing Trust Fund, as defined and described in Part VI, Chapter 218, Florida Statutes, as amended.

"Holder" shall mean the Lender as the initial holder of the 2014 Notes and any subsequent registered holders of the 2014 Notes.

"Indebtedness" shall mean any debt of the City secured by any or all of the Pledged Revenues.

"Interest Rate" shall mean (i) for the 2014A Note, a per annum rate equal to (a) 3.19%, multiplied, prior to the occurrence of an Event of Taxability, by (b) the Margin Rate Factor, and after an Event of Taxability shall mean the Taxable Rate (the "2014A Interest Rate"), and (ii) for

the 2014B Note, a per annum rate equal to 2.21% (the "2014B Interest Rate"); as such rates may be adjusted as provided herein.

"Loan" shall refer to an amount equal to the outstanding principal of the 2014 Notes, together with unpaid interest and penalties, if any, which have accrued.

"Margin Rate Factor" shall mean the fraction the numerator of which is equal to one (1) minus the Maximum Federal Corporate Tax Rate on the date of calculation and the denominator of which is 0.65. The Margin Rate Factor shall be 0.65/0.65 or 1.0 so long as the Maximum Federal Corporate Tax Rate shall be 35%, and thereafter shall increase from time to time effective as of the effective date of any decrease in the Maximum Federal Corporate Tax Rate.

"Marina" shall mean the marina owned by the City and all related facilities and equipment in connection therewith, all as more specifically described in Exhibit B hereto.

"Maturity Date" shall mean the date on which all principal and all unpaid interest accrued on the 2014 Notes shall be due and payable in full, which date shall be, if not sooner due to prepayment is as to the 2014A Note, August 1, 2029 and as to the 2014B Note, February 1, 2016.

"Maximum Federal Corporate Tax Rate" shall mean the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, determined without regard to tax rate or tax benefit make-up provisions such as the last two sentences of Section 11(b)(1) of the Code, as in effect from time to time (or, if as a result of a change in the Code the rate of income taxation imposed on corporations shall not be applicable to the Holder of the 2014A Note, the maximum statutory rate of federal income taxation which could apply to such Holder). The Maximum Federal Corporate Tax Rate on the date of execution of this Agreement is 35%.

"Net Revenues" shall mean, for any specified period of time, the excess of all Operating Revenues over Operating Expenses for such period.

"Operating Expenses" shall mean all sums which under generally accepted accounting principles constitute reasonable and necessary current expenses incurred (whether paid or accrued) in owning, operating and maintaining the Marina; provided, however, that Operating Expenses shall not include (i) Debt Service on the Indebtedness and (ii) any reserve for renewals and replacements, extraordinary repairs or any allowance for depreciation expenses and other non-cash charges, and (iii) payments made by the City under leases that are capitalized in accordance with generally accepted accounting principles.

"Operating Revenues" shall mean all revenues received by the City derived from the operation of the Marina, including, but not limited to, all rates, fees, charges and rentals, and any other like or similar charges, income and receipts, and all parts thereof.

"Payment Date" shall mean each February 1 and August 1, commencing February 1, 2015 until the 2014 Notes have been paid in full.

"Pledged Revenues" shall mean collectively the Net Revenues and the Half-Cent Sales Tax.

"Taxable Period" shall mean the period of time between (a) the date that interest on the 2014A Note is deemed to be includable in the gross income of the owner thereof for federal income tax purposes as a result of an Event of Taxability, and (b) the date of the Event of Taxability and after which the 2014A Note bears interest at the Taxable Rate.

"Taxable Rate" shall mean with respect to the 2014A Note, the interest rate per annum that shall provide the Lender with the same after tax yield that the Lender would have otherwise received had the Event of Taxability not occurred, taking into account the increased taxable income of the Lender as a result of such Event of Taxability. The Lender shall provide the City with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the City.

"2014 Notes" shall mean collectively, the 2014A Note and the 2014B Note.

"2014A Note" shall mean the City of Fort Pierce, Florida Capital Improvement Revenue Note, Series 2014A.

"2014B Note" shall mean the City of Fort Pierce, Florida Taxable Capital Improvement Revenue Note, Series 2014B.

Section 1.02. Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

Section 1.03. Titles and Headings. The titles and headings of the Articles and Sections of this Agreement, which have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 2.01. Representations and Warranties of City. The City represents and warrants to the Lender as follows:

(a) Existence. The City is a municipal corporation of the State of Florida, duly created and validly existing under the laws of the State of Florida, with full power to enter into this Agreement, to perform its obligations hereunder and to issue and deliver the 2014 Notes to the Lender. The making, execution and performance of this Agreement on the part of the City and the issuance and delivery of the 2014 Notes have been duly authorized by all necessary

action on the part of the City and will not violate or conflict with the Act, City Charter, or any agreement, indenture or other instrument by which the City or any of its material properties is bound.

(b) Validity, Etc. This Agreement, the 2014 Notes and the Resolution are valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) No Financial Material Adverse Change. No material adverse change in the financial condition of the City or the Pledged Revenues has occurred since the audited financial statements of the City for its year ended September 30, 2013.

(d) Powers of City. The City has the legal power and authority to pledge the Pledged Revenues to the repayment of the 2014 Notes as described herein and none of the Pledged Revenues are pledged to any other obligations of the City.

(e) Authorizations, etc. No authorization, consent, approval, license, exemption of or registration or filing with any court or governmental department, council, board, bureau, agency or instrumentality, domestic or foreign, has been or will be necessary for the valid execution, delivery and performance by the City of this Agreement, the 2014 Notes and the related documents, except such as have been obtained, given or accomplished.

Section 2.02. Representations and Warranties of Lender. The Lender represents and warrants to the City that the Lender (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of making the Loan and purchasing in the 2014 Notes; (ii) has received and reviewed such financial information concerning the Pledged Revenues as it has needed in order to fairly evaluate the merits and risks of making the Loan and purchasing in the 2014 Notes; and (iii) is purchasing the 2014 Notes as an investment for its own account and not with a current view toward resale to the public.

ARTICLE III

THE 2014 NOTES

Section 3.01. Purpose and Use. On the date of this Agreement, the Lender shall fund to the City the Loan in the principal amount of _____ Dollars (\$_____). The Loan will be evidenced by the 2014A Note in the principal amount of \$_____ and the 2014B Note in the principal amount of _____ Dollars (\$_____). The proceeds of the 2014 Notes shall be used solely to construct and reconstruct the Project and to pay costs of issuing the 2014 Notes.

Section 3.02. The 2014 Notes. The 2014 Notes shall be substantially in the form set forth as **Exhibit A** to this Agreement. The general terms of the 2014 Notes shall be as follows:

(a) Amount of 2014 Notes. The aggregate principal amount of the 2014 Notes shall be _____ Dollars (\$_____).

(b) Interest. The City shall pay interest upon the unpaid principal balance of the 2014 Notes at the applicable Interest Rate, subject to adjustment as provided herein. Interest shall be calculated on the basis of a 360 day year calculated based upon a year of 360 days consisting of twelve 30-day months. Interest on the 2014 Notes is payable on each Payment Date commencing February 1, 2015 as set forth in the 2014 Notes.

(c) Principal Payment. Principal on the 2014 Notes is payable on each Payment Date commencing (i) August 1, 2017 with respect to the 2014A Note as set forth in the 2014A Note, and (ii) February 1, 2015 with respect to the 2014B Note as set forth in the 2014B Note.

(d) Prepayments; Make Whole Premium. The 2014 Notes may be pre-paid in whole or in part subject to the terms hereof on any Business Day and upon at least two Business Days' prior written notice to the Lender specifying the amount of prepayment. Any partial prepayment shall be applied as determined by Lender in its sole discretion. The City shall, at the time of such prepayment, pay to the Lender the interest accrued to the date of prepayment on the principal amount being prepaid plus an additional fee or redemption premium equal to the present value of the difference between (1) the amount that would have been realized by the Lender on the prepaid amount for the remaining term of the loan at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps for a term corresponding to the term of such 2014 Note, interpolated to the nearest month, if necessary, that was in effect three Business Days prior to the issuance date of such 2014 Note, and (2) the amount that would be realized by the Lender by reinvesting such prepaid funds for the remaining term of the loan at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps, interpolated to the nearest month, that was in effect three Business Days prior to the repayment date; both discounted at the same interest rate utilized in determining the applicable amount in clause (2). Should the present value have no value or a negative value, the City may prepay with no additional fee or redemption premium. Should the Federal Reserve no longer release rates for fixed-rate payers in interest rate swaps, the Lender may substitute the Federal Reserve H.15 Statistical Release with another similar index. The Lender shall provide the City with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding. The application of such fee or prepayment premium is not intended to, and shall not be deemed to be, an increase in the Interest Rate.

Section 3.03. Adjustments to 2014A Note Interest Rate. The 2014A Note Interest Rate shall be subject to adjustment by the Lender as hereinafter described and as provided in the 2014A Note.

Except as otherwise provided herein, upon the occurrence of an Event of Taxability and for as long as the 2014A Note remains outstanding, the Interest Rate on the 2014A Note shall be converted to the Taxable Rate and this adjustment shall survive payment on the 2014A Note until such time as the federal statute of limitations under which the interest on the 2014A Note could be declared taxable under the Code shall have expired. In addition, upon an Event of Taxability, the City shall, immediately upon demand, pay to the Lender (or prior holders, if applicable) (i) an additional amount equal to the difference between (A) the amount of interest

actually paid on the 2014A Note during the Taxable Period and (B) the amount of interest that would have been paid during the Taxable Period had the 2014A Note borne interest at the Taxable Rate, and (ii) an amount equal to any interest, penalties and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Lender as a result of the Event of Taxability.

If it is determined that the 2014A Note is not a "qualified tax exempt obligation" within the meaning of Section 265(b)(3)(C) of the Code, then the interest rate borne by the 2014A Note will be adjusted to a fixed rate determined by Lender, effective as of the date that the 2014A Note is not a qualified tax exempt obligation. Any additional accrued interest due on a retroactive basis shall be paid by the City within thirty days after demand therefore by the Lender, and interest on a prospective basis shall then be paid at the increased rate on the dates provided herein for the payment of interest. Such non-Bank qualified interest rate will be subject to further adjustments as provided in this Section.

The Lender shall promptly notify the City in writing of any adjustments pursuant hereto. Notwithstanding any provision herein to the contrary, in no event shall the interest rate on the 2014 Notes exceed the maximum rate permitted by law.

Section 3.04. Conditions Precedent to Issuance of 2014 Notes. Prior to or simultaneously with the delivery of the 2014 Notes, there shall be filed with the Lender the following, each in form and substance reasonably acceptable to the Lender:

(a) an opinion of legal counsel to the City substantially to the effect that (i) the Resolution has been duly adopted and the 2014 Notes and this Agreement each have been duly authorized, executed and delivered by the City and each constitutes a valid, binding and enforceable agreement of the City in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally or by usual equity principles; (ii) the City's execution, delivery and performance of this Agreement and execution and issuance of the 2014 Notes are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not heretofore obtained or effected; (iii) the execution, issuance and delivery of the 2014 Notes has been duly and validly authorized by the City, and the 2014 Notes constitutes a valid and binding special obligation of the City enforceable in accordance with their terms; (iv) the City (A) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, and (B) has power and authority to adopt the Resolution, to execute and deliver this Agreement, to execute and deliver the 2014 Notes, and to consummate the transactions contemplated by such instruments; (v) the execution, delivery and performance of the 2014 Notes and this Agreement, and compliance with the terms thereof and hereof, under the circumstances contemplated hereby, do not and will not in any material respect conflict with, or constitute on the part of the City a breach or default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the City or to which its properties are subject or conflict with, violate or result in a breach of any existing law, administrative rule or regulation, judgment, court order or consent decree to which the City or its properties are subject; (vi) there is no claim, action, suit, proceeding, inquiry, investigation, litigation or other proceeding, at law or in equity, pending or to the best of such counsel's knowledge, threatened, in any court or other tribunal, state or federal (A) restraining or

enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the 2014 Notes, (B) in any way questioning or affecting the validity or enforceability of any provision of this Agreement, the 2014 Notes or the Resolution, (C) in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the 2014 Notes, or of any provision made or authorized for the payment thereof, or (D) questioning or affecting the organization or existence of the City or the right of any of its officers to their respective offices; (E) that would have a material adverse affect on the condition (financial or otherwise) of the City, the Mariana or the collection of the Pledged Revenues; (vii) the City has the legal authority to construct the Project, to grant a lien on the Pledged Revenues as described herein and in the Resolution; and (viii) all conditions contained in the ordinances and resolutions of the City precedent to the issuance of the 2014 Notes have been complied with;

(b) an opinion of Bond Counsel (who may rely on opinion of legal counsel to the City) with respect to clauses (i) and (iv), substantially to such effect that such counsel is of the opinion that: (i) this Agreement constitutes a valid and binding obligation of the City enforceable upon the City in accordance with its terms; (ii) the 2014 Notes are valid and binding special obligations of the City enforceable in accordance with its terms, payable solely from the sources provided therefor in this Agreement; (iii) assuming compliance by the City with certain covenants relating to requirements contained in the Code interest on the 2014A Note is excluded from gross income for purposes of federal income taxation; and (iv) the 2014A Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code;

(c) a copy of a completed and executed Form 8038-G for the 2014A Note to be filed with the Internal Revenue Service by the City;

(d) the original executed 2014 Notes and Agreement; and

(e) such other documents as the Lender reasonably may request.

When the documents and items mentioned in clauses (a) through (e), inclusive, of this Section shall have been filed with the Lender, and when the 2014 Notes shall have been executed as required by this Agreement, the City shall deliver the 2014 Notes to or upon the order of the Lender upon receipt of the purchase price therefor.

Section 3.05. Registration of Transfer; Assignment of Rights of Lender. The City shall keep at the office of the City Clerk in the City's records the registration of the 2014 Notes and the registration of transfers of the 2014 Notes as provided in this Agreement. The transfer of the 2014 Notes, in whole or in part, may be registered only upon the books kept for the registration of the 2014 Notes and registration of transfer thereof upon surrender thereof to the City as registrar together with an assignment duly executed by the Holder or its attorney or legal representative in the form of the assignment set forth on the form of the 2014 Notes attached as **Exhibit A** to this Agreement. In the case of any such registration of transfer, the City shall execute and deliver in exchange for such 2014 Note a new 2014 Note of the same series registered in the name of the transferee (or in the case of a partial transfer, new 2014 Notes in an aggregate principal amount and series of such surrendered 2014 Note registered in the name of the Holder and the transferee). In all cases in which a 2014 Note shall be transferred hereunder, the City shall execute and deliver at the earliest practicable time new 2014 Notes in accordance

with the provisions of this Agreement. The City may make a charge for every such registration of transfer of a 2014 Note sufficient to reimburse it for any tax or other governmental charges required to be paid with respect to such registration of transfer (other than those of the City), but no other charge shall be made for registering the transfer hereinabove granted. The 2014 Notes shall be issued in fully registered form and shall be payable in any lawful coin or currency of the United States.

The registration of transfer of all or any portion of any of the 2014 Notes on the registration books of the City shall be deemed to effect a transfer of the rights and obligations of the transferor under this Agreement to the transferee. Thereafter, such transferee shall be deemed to be Lender under this Agreement and shall be bound by all provisions of this Agreement that are binding upon Lender. The City shall take such other actions as the City and such transferee may reasonably request in order to confirm that such transferee has succeeded to the capacity of Lender under this Agreement and such 2014 Note.

No transfer shall be permitted absent the City's receipt of a certificate in form and substance similar to the one included as part of **Exhibit A** hereto from such proposed transferee. Every prior Holder of a 2014 Notes shall be deemed to have waived and renounced all of such owner's equities or rights therein to the extent of such transfer in favor of every bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

The registered owner of the 2014 Notes is hereby granted power to transfer absolute title thereof by assignment thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against such owner's assignor or any person in the chain of title and before the maturity of the 2014 Notes; provided, however, that no transfer (except as provided in the immediately following paragraph) shall be permitted to anyone other than a transferee that is an "accredited investor" within the meaning of Regulation D of the Securities Act of 1933. Every prior registered owner of the Note shall be deemed to have waived and renounced all of such owner's equities or rights therein to the extent of such transfer in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

Notwithstanding the limitations on transfer contained in the preceding paragraph, the Note may be transferred to any affiliate of Lender in whole or in part without restriction.

In the event any 2014 Note is mutilated, lost, stolen, or destroyed, the City shall execute a new 2014 Note of like date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated 2014 Note, such mutilated 2014 Note shall first be surrendered to the City, and in the case of any lost, stolen, or destroyed 2014 Note, there first shall be furnished to the City evidence of such loss, theft or destruction together with an indemnity satisfactory to it.

Section 3.06. Ownership of the 2014 Notes. The person in whose name any 2014 Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the 2014 Notes shall be made only to the Holder thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and

discharge the liability upon the 2014 Notes, and interest thereon, to the extent of the sum or sums so paid.

Section 3.07. Use of Proceeds of 2014 Notes Permitted Under Applicable Law. The City represents, warrants and covenants that the proceeds of the 2014 Notes will be used as provided in Section 3.01 hereof, and that such use is permitted by applicable law.

Section 3.08. Authentication. Until the 2014 Notes shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A, duly executed by the manual signature of the registrar as authenticating agent, it shall not be entitled to any benefit or security under this Agreement. The 2014 Notes shall not be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the registrar, and such certificate of the registrar upon the 2014 Notes shall be conclusive evidence that such 2014 Notes have been duly authenticated and delivered under this Agreement.

ARTICLE IV

COVENANTS OF THE CITY

Section 4.01. Performance of Covenants. The City covenants that it will perform faithfully at all times its covenants, undertakings and agreements contained in this Agreement and the 2014 Notes and in any proceedings of the City relating to the Loan provided that any payments due hereunder shall be paid solely from Pledged Revenues.

Section 4.02. Payment of 2014 Notes.

(a) The City hereby irrevocably pledges the Pledged Revenues as security for the repayment of the 2014 Notes.

(b) The 2014 Notes are special obligations of the City secured solely by the Pledged Revenues and payable from the Pledged Revenues as provided in this Agreement. The 2014 Notes will not constitute a general debt, liability or obligation of the City or the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the City or of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or interest on the 2014 Notes and the 2014 Holder shall never have the right to compel any exercise of any ad valorem taxing power of the City or of the State of Florida or any political subdivision thereof, directly or indirectly to enforce such payment. The 2014 Notes shall not constitute a lien upon any property of the City except upon the Pledged Revenues.

Section 4.03. Covenants Applicable to Marina.

(a) Operation and Maintenance. The City will maintain the Marina and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(b) Books and Accounts. The City shall keep proper books, records and accounts, separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the Marina.

(c) Disposition of Marina. The Marina may be sold or otherwise disposed of as a whole or substantially as a whole, only if the net proceeds to be realized, together with other moneys available for such purpose, shall be applied to fully retire all of the outstanding Indebtedness secured by Net Revenues and all interest thereon to their respective dates of maturity or earlier redemption dates.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell or dispose of any of the tangible property or ownership interest in tangible property comprising a part of the Marina that as determined by a certificate of the Mayor, is valued at less than \$100,000 and that such sale of such property will not materially adversely affect the operations of the Marina, if the City determines that any one of the following conditions exist: (1) such property is not necessary for the operation of the Marina or (2) such property is not useful in the operation of the Marina or (3) such property is not profitable in the operation of the Marina. Except in the ordinary course of business, no portion of the Marina may be leased without the express written consent of the Lender, which consent may be conditioned upon receipt by Lender of an opinion of Bond Counsel to the effect that such transaction will not adversely affect the exclusion of the interest in the 2014A Note from gross income for federal income tax purposes.

(d) Insurance. The City shall provide protection for the Marina both in accordance with the requirements of all agreements, if any, to which the Issuer may at the time be a party with respect to joint ownership of properties by the City with others which is part of the Marina, and in accordance with prudent practice applicable to marinas. Said protection may consist of insurance, self-insurance and indemnities. The City will keep, or cause to be kept, the Marina and facilities comprising the properties of the Marina insured, and will carry such other insurance against fire and other risks, accidents or casualties at least to the extent and of the kinds that insurance is usually carried by marinas operating like properties. Any insurance shall be in the form of policies or contracts for insurance with insurers of good standing, shall be payable to the City and may provide for such deductibles, exclusions, limitations, restrictions, and restrictive endorsements customary in policies for similar coverage issued to entities operating properties similar to the properties of the Marina. Any self insurance shall be in the amounts, manner and of the type provided by entities operating properties similar to the properties of the Marina. In the event of any loss or damage to the Marina covered by insurance, the City will, with respect to each such loss, promptly repair, reconstruct or replace the parts of the Marina affected by such loss or damage to the extent necessary to the proper conduct of the operation of the business of the Marina in accordance with industry practices, shall cause the proceeds of such insurance to be applied for that purpose to the extent required therefor, and pending such application shall hold the proceeds of any insurance policy covering such damage or loss in trust to be applied for that purpose to the extent required therefor and to the extent not applied to repair the Marina shall be used to redeem the 2014 Notes.

(e) Enforcement of Collections. The City will diligently enforce and collect the rates, fees and other charges for the services and facilities of the Marina and will take all steps, actions

and proceedings for the enforcement and collection of such rates, charges and fees as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof.

(f) Supervisory Personnel. The City, in operating the Marina, will employ or designate, as manager, one or more of its qualified employees, or an independent contractor, who have demonstrated ability and experience in operating similar facilities, and will require all such employees or independent contractors, as the case may be, who may have possession of money derived from the operation of the Marina to be covered by a fidelity bond, written by a responsible indemnity company in amounts fully adequate to protect the Issuer from loss.

(g) Payment of Taxes, Assessments and Other Claims. The City shall from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or payments in lieu thereof, lawfully imposed upon the properties constituting the Marina when the same shall become due, as well as all lawful claims for labor and materials and supplies which, if not paid, might become a lien or charge upon such properties or any part thereof.

(h) Collection of Subordinate Half-Cent Sales Tax Revenues. The City covenants to do all things necessary on its part to maintain its eligibility to receive the Half-Cent Sales Tax revenues.

(i) Payments of principal and interest will be collected by ACH Direct Debit.

Section 4.04. Issuance of Other Obligations. The City shall issue no Indebtedness secured by or payable from the Net Revenues without the prior written consent of the Lender. The City may incur additional Indebtedness secured by the Half-Cent Sales Tax provided that prior to such issuance there shall have been filed with the Clerk and the Lender a certificate of the Finance Director stating that the average of the Half-Cent Sales Tax received by the City for the City's two most recent Fiscal Years for which audited financial statements are available is equal to at least 125% of the maximum annual debt service becoming due in any Fiscal Year on the 2014 Notes, any Indebtedness previously issued payable on parity with the 2014 Notes from the Half-Cent Sales Tax (including any indebtedness with a back-up pledge) and the proposed additional Indebtedness. For purposes of such calculation, if any Indebtedness bears or will bear a variable interest rate, the interest rate used for such calculation shall be the higher of (i) the actual rate on the date of calculation, or if the Indebtedness is not yet outstanding, the initial rate, (ii) if the Indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) if the Indebtedness has been outstanding for twelve months or less; (1) if interest on the Indebtedness is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Bond Buyer 25 Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus fifty (50) basis points. The City may issue additional Indebtedness payable from the Half-Cent Sales Tax not subject to the limitations set forth above provided such Indebtedness shall contain an express statement that such obligations are junior and subordinate in all respects to the 2014 Notes and any obligations payable on parity

with the 2014 Notes from the Half-Cent Sales Tax and shall not be subject to acceleration or tender upon an event of default thereunder.

Section 4.05. Tax Covenant. The City covenants to the 2014 Holder that the City will not make any use of the proceeds of the 2014A Note at any time during the term of such 2014A Note which, if such use had been reasonably expected on the date the 2014A Note was issued, would have caused such 2014A Note to be an "arbitrage bond" within the meaning of the Code. The City will do all acts including complying with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to insure the exclusion of interest on the 2014A Note from the gross income of the Holders thereof for purposes of federal income taxation.

Section 4.06. Financial Disclosures. At no costs to the Lender, the City will furnish to the Lender (i) within 270 days following the end of each Fiscal Year, a comprehensive annual financial report of the City for such Fiscal Year prepared in accordance with generally accepted accounting standards, and an audit report of an independent certified public accountant or firm thereof, (ii) within 30 days of the adoption thereof for each Fiscal Year, the general budget of the City, and (iii) any other financial information which the Lender may reasonably request.

Section 4.07. Compliance with Laws and Regulations. The City shall maintain compliance with all federal, state and local laws and regulations applicable to the construction and improvements of the Project and the Loan.

Section 4.08. No Impairment. As long as the 2014 Notes are outstanding, the pledging of the Pledged Revenues in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the City Commission.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events Of Default. The following events shall each constitute an "Event of Default:"

(a) The City defaults in the payment of the principal of or interest on any Indebtedness when due.

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

(c) The City shall default in the performance of or compliance with any term or covenant contained in this Agreement or the 2014 Notes or any representation or warranty made in writing by or on behalf of the City in this Agreement or the 2014 Notes shall prove to have been false or incorrect in any material respect on the date made or reaffirmed.

(d) The City shall within five (5) days after it acquires knowledge thereof, notify the Lender in writing upon the happening, occurrence, or existence of any Event of Default and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default. Regardless of the date of receipt of such notice by the Lender, such date shall not in any way modify the date of occurrence of the actual Event of Default.

Section 5.02. Notice of Default. The City shall within five (5) days after it acquires knowledge thereof, notify the Lender in writing upon the happening, occurrence, or existence of any Event of Default and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default. Regardless of the date of receipt of such notice by the Lender, such date shall not in any way modify the date of occurrence of the actual Event of Default.

Section 5.03. Remedies. A Holder of the 2014 Notes or any trustee or receiver acting for such Holder may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the City or by any officer thereof. Notwithstanding the foregoing, nothing herein shall permit the acceleration of the payments due on the 2014 Notes. However, upon the occurrence of an Event of Default, the Interest Rate shall be immediately adjusted to the Default Rate. The City shall pay the Holder the reasonable fees and costs incurred by the Holder and its agents in pursuing such remedies.

Section 5.04. Remedies Cumulative. No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01. Covenants of City, Etc.; Successors. All of the covenants, stipulations, obligations and agreements contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, council, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Section 6.02. Term of Agreement. This Agreement shall be in full force and effect from the date hereof until the 2014 Notes and all other sums payable to the Holder hereunder have been paid in full.

Section 6.03. Amendments and Supplements. This Agreement may be amended or supplemented from time to time only by a writing duly executed by each of the City and the Lender.

Section 6.04. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the City or the Lender, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when sent by certified mail, return receipt requested:

(a) As to the City:

City of Fort Pierce, Florida
100 N. U.S. Highway 1
Fort Pierce, Florida 32920
Attention: City Manager

(b) As to the Lender:

SunTrust Bank
Mail Code FL-WPB-1023
501 S Flagler Drive
2nd Floor
West Palm Beach, FL 33401
Attention: Leslie Downs

or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

Either party may, by notice sent to the other, designate a different or additional address to which notices under this Agreement are to be sent.

Section 6.05. Benefits Exclusive. Except as herein otherwise provided, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City and the Holder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all of its provisions being intended to be and being for the sole and exclusive benefit of the City and the Holder.

Section 6.06. Severability. In case any one or more of the provisions of this Agreement, any amendment or supplement hereto or of the 2014 Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, any amendment or supplement hereto or the 2014 Notes, but this Agreement, any amendment or supplement hereto and the 2014 Notes shall be construed and enforced at the time as if such illegal or invalid provisions had not been contained therein, nor shall such

illegality or invalidity or any application thereof affect any legal and valid application thereof from time to time. In case any covenant, stipulation, obligation or agreement contained in the 2014 Notes or in this Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation, or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent from time to time permitted by law.

Section 6.07. Payments Due on a Non-Business Day. In any case where the date of maturity of interest on or principal of the 2014 Notes or the date fixed for prepayment of any of the 2014 Notes shall be other than a Business Day, then payment of such interest or principal shall be made on the next succeeding Business Day with the same force and effect as if paid on the Payment Date or the date fixed for prepayment; provided, however, that except in the case of a payment on the Maturity Date interest shall continue to accrue during any such extension of time and shall be included in the computation of interest due and payable on the immediately following Payment Date.

Section 6.08. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 6.09. Applicable Law. The 2014 Notes shall be governed by applicable federal law and the internal laws of the State of Florida. The parties hereto agree that certain material events and occurrences relating to the 2014 Notes and this Agreement bear a reasonable relationship to the laws of Florida and the validity, terms, performance and enforcement of the 2014 Notes and this Agreement shall be governed by the internal laws of Florida which are applicable to agreements which are negotiated, executed, delivered and performed solely in Florida. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to the 2014 Notes and this Agreement, the parties hereto consent to the jurisdiction and venue of any court located in the State of Florida.

Section 6.10. No Personal Liability. Notwithstanding anything to the contrary contained herein or in the 2014 Notes, or in any other instrument or document executed by or on behalf of the City in connection herewith, no stipulation, covenant, agreement or obligation of any present or future member of the City Commission, officer, employee or agent of the City, in any such person's individual capacity, shall cause such person to be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of or interest on the 2014 Notes or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his or her individual capacity, either directly or through the City or any successor to the City, under any rule or law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such person, in his or her individual capacity, is hereby expressly waived and released.

Section 6.11. Incorporation by Reference. All of the terms and obligations of the Resolution are hereby incorporated herein by reference as if all of the foregoing were fully set

forth in this Agreement. All recitals appearing at the beginning of this Agreement are hereby incorporated herein by reference.

Section 6.12. Waiver of Jury Trial. THE PARTIES HERETO KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY, WITH RESPECT TO ANY LITIGATION OR LEGAL PROCEEDINGS BASED ON OR ARISING OF THIS AGREEMENT OR THE 2014 NOTES, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALINGS, VERBAL OR WRITTEN STATEMENT OR ACTIONS OR OMISSIONS OF ANY PARTY WHICH IN ANY WAY RELATES TO THE 2014 NOTES OR THIS AGREEMENT.

Section 6.13. Documentary and Intangible Taxes. In the event that any intangible tax or documentary stamp is due from the Holder to any state or other governmental agency or authority because of the execution or holding of the 2014 Notes, the City shall, upon demand, reimburse the Holder for any such tax paid.

*[Signature Page for LOAN AGREEMENT
dated as of July 23, 2014 between
the City of Fort Pierce, Florida and SunTrust Bank]*

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

CITY OF FORT PIERCE, FLORIDA

ATTEST:

By: _____
Mayor

City Clerk

SUNTRUST BANK

By: _____
Title: _____

Exhibit A
Form of 2014 Notes

THIS NOTE MAY BE TRANSFERRED ONLY IN WHOLE TO AN AFFILIATE OF SUNTRUST BANK OR TO A HOLDER WHO BY BECOMING A HOLDER HEREOF REPRESENTS THAT IT IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

**CITY OF FORT PIERCE, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE,
SERIES 2014A**

<u>Principal</u>	<u>Maturity Date</u>	<u>Note Rate</u>	<u>Date of Issuance</u>
\$ _____	August 1, 2029	3.19%	July 23, 2014

The CITY OF FORT PIERCE, FLORIDA (the "City"), for value received, hereby promises to pay, solely from the sources described in the within mentioned Agreement, to the order of SUNTRUST BANK, a national banking association, or its assigns (the "Holder"), the Principal Sum stated above on the Maturity Date stated above, except as the provisions for mandatory redemption hereinafter on February 1 and August 1 as set forth on Schedule I hereto are required to be made, together with any accrued and unpaid interest, and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent date to which interest has been paid or provided for, or if no interest has been paid, from the Date of Issuance shown above, on February 1 and August 1 of each year (each, "Payment Date"), commencing on February 1, 2015, until payment of said principal sum has been made or provided for, at the Note Rate. Payments due hereunder shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, which payments shall be made to the Holder hereof by ACH Direct Debit from a City designated account with SunTrust Bank or otherwise as the City and the Holder may agree.

The Note Rate may be adjusted in accordance with the terms of Section 3.03 that certain Loan Agreement by and between the Holder and the City, dated as of July 23, 2014 (the "Agreement"). Such adjustments may be retroactive. Additional payments are also due in regard to this Note as provided for in Section 5.02 of the Agreement.

All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

This Note may be pre-paid in whole or in part subject to the terms hereof on any Business Day and upon at least two Business Days' prior written notice to the Holder specifying the amount of prepayment. Any partial prepayment shall be applied as determined by Holder in its sole discretion. The City shall, at the time of such prepayment, pay to the Holder the interest

accrued to the date of prepayment on the principal amount being prepaid plus an additional fee or redemption premium equal to the present value of the difference between (1) the amount that would have been realized by the Holder on the prepaid amount for the remaining term of the loan at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps for a term corresponding to the term of this Note, interpolated to the nearest month, if necessary, that was in effect three Business Days prior to the issuance date of this Note, and (2) the amount that would be realized by the Holder by reinvesting such prepaid funds for the remaining term of the loan at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps, interpolated to the nearest month, that was in effect three Business Days prior to the repayment date; both discounted at the same interest rate utilized in determining the applicable amount in (2). Should the present value have no value or a negative value, the City may prepay with no additional fee or redemption premium. Should the Federal Reserve no longer release rates for fixed-rate payers in interest rate swaps, the Holder may substitute the Federal Reserve H.15 Statistical Release with another similar index. The Holder shall provide the City with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding. The application of such fee or prepayment premium is not intended to, and shall not be deemed to be, an increase in the Note Rate.

Notice having been given as aforesaid, the principal amount to be prepaid shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on such principal amount; and the amount of principal and interest then due and payable shall be paid upon presentation and surrender of this Note to the office of the City. If, on the prepayment date, funds for the payment of such principal amount, together with interest to the prepayment date on such principal amount, shall have been given to the Holder, as above provided, then from and after the prepayment date interest on such principal amount of this Note shall cease to accrue.

This Note is authorized to be issued in the outstanding aggregate principal amount equal to the Principal Sum under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 166, Florida Statutes Part VI, Chapter 218, Florida Statutes and other applicable provisions of law, City Resolution No. ____ adopted by the City Commission on July 21, 2014 (the "Resolution"), and the Agreement and is subject to all terms and conditions of the Agreement and the Resolution. Any term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Resolution or the Agreement, as the case may be.

This Note is a limited, special obligation of the City, payable from and secured solely by a lien upon and pledge of the Pledged Revenues, as defined and described and in the manner provided in the Agreement.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of nonusurious interest allowed under the State of Florida as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein.

THIS NOTE SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE CITY OR THE STATE OF FLORIDA (THE "STATE"), WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS OF INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES, AS PROVIDED IN THE AGREEMENT AND THE RESOLUTION. THE HOLDER SHALL NEVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, OR TAXATION IN ANY FORM OF ANY PROPERTY THEREIN TO PAY THIS NOTE OR THE INTEREST THEREON.

Upon the occurrence of an Event of Default, the Holder shall also have such other remedies as described in the Agreement.

The City hereby waives presentment, demand, protest and notice of dishonor. This Note is governed and controlled by the Agreement and reference is hereby made thereto regarding interest rate adjustments and other matters.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City has caused this Note to be signed by its Mayor, either manually or with facsimile signature, and the seal of the City to be affixed hereto or imprinted or reproduced hereon, and attested by a City Clerk of the City, either manually or with facsimile signature, and this Note to be dated the Date of Issuance set forth above.

CITY OF FORT PIERCE, FLORIDA

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Approved as to form and Correctness:

City Attorney

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Note is being delivered pursuant to the within mentioned Agreement.

CITY OF FORT PIERCE, FLORIDA,
as Registrar

By: _____
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto _____ (please print or typewrite name, address and tax identification number of assignee) _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Name of Noteholder: _____

By: _____

Schedule I

Principal on this Note shall be payable on the following dates and in the following amounts:

<u>Year</u>	<u>Principal Amortization</u>
August 1, 2017	
February 1, 2018	
August 1, 2018	
February 1, 2019	
August 1, 2019	
February 1, 2020	
August 1, 2020	
February 1, 2021	
August 1, 2021	
February 1, 2022	
August 1, 2022	
February 1, 2023	
August 1, 2023	
February 1, 2024	
August 1, 2024	
February 1, 2025	
August 1, 2025	
February 1, 2026	
August 1, 2026	
February 1, 2027	
August 1, 2027	
February 1, 2028	
August 1, 2028	
February 1, 2029	
August 1, 2029	

THIS NOTE MAY BE TRANSFERRED ONLY IN WHOLE TO AN AFFILIATE OF SUNTRUST BANK OR TO A HOLDER WHO BY BECOMING A HOLDER HEREOF REPRESENTS THAT IT IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

**CITY OF FORT PIERCE, FLORIDA
TAXABLE CAPITAL IMPROVEMENT REVENUE NOTE,
SERIES 2014B**

<u>Principal</u>	<u>Maturity Date</u>	<u>Note Rate</u>	<u>Date of Issuance</u>
\$ _____	February 1, 2016	2.21%	July 23, 2014

The CITY OF FORT PIERCE, FLORIDA (the "City"), for value received, hereby promises to pay, solely from the sources described in the within mentioned Agreement, to the order of SUNTRUST BANK, a national banking association, or its assigns (the "Holder"), the Principal Sum stated above on the Maturity Date stated above, except as the provisions for mandatory redemption hereinafter on February 1 and August 1 as set forth on Schedule I hereto are required to be made, together with any accrued and unpaid interest, and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent date to which interest has been paid or provided for, or if no interest has been paid, from the Date of Issuance shown above, on February 1 and August 1 of each year (each, "Payment Date"), commencing on February 1, 2015, until payment of said principal sum has been made or provided for, at the Note Rate. Payments due hereunder shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, which payments shall be made to the Holder hereof by ACH Direct Debit from a City designated account with SunTrust Bank or otherwise as the City and the Holder may agree.

This Note is secured as provided in that Loan Agreement by and between the Holder and the City, dated as of July 23, 2014 (the "Agreement"). Additional payments are due in regard to this Note as provided for in Section 5.02 of the Agreement.

All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

This Note may be pre-paid in whole or in part subject to the terms hereof on any Business Day and upon at least two Business Days' prior written notice to the Holder specifying the amount of prepayment. Any partial prepayment shall be applied as determined by Holder in its sole discretion. The City shall, at the time of such prepayment, pay to the Holder the interest accrued to the date of prepayment on the principal amount being prepaid plus an additional fee or redemption premium equal to the present value of the difference between (1) the amount that would have been realized by the Holder on the prepaid amount for the remaining term of the loan at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps for a term corresponding to the term of this Note, interpolated to the nearest month, if necessary, that

was in effect three Business Days prior to the issuance date of this Note, and (2) the amount that would be realized by the Holder by reinvesting such prepaid funds for the remaining term of the loan at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps, interpolated to the nearest month, that was in effect three Business Days prior to the repayment date; both discounted at the same interest rate utilized in determining the applicable amount in (2). Should the present value have no value or a negative value, the City may prepay with no additional fee or redemption premium. Should the Federal Reserve no longer release rates for fixed-rate payers in interest rate swaps, the Holder may substitute the Federal Reserve H.15 Statistical Release with another similar index. The Holder shall provide the City with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding. The application of such fee or prepayment premium is not intended to, and shall not be deemed to be, an increase in the Note Rate.

Notice having been given as aforesaid, the principal amount to be prepaid shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on such principal amount; and the amount of principal and interest then due and payable shall be paid upon presentation and surrender of this Note to the office of the City. If, on the prepayment date, funds for the payment of such principal amount, together with interest to the prepayment date on such principal amount, shall have been given to the Holder, as above provided, then from and after the prepayment date interest on such principal amount of this Note shall cease to accrue.

This Note is authorized to be issued in the outstanding aggregate principal amount equal to the Principal Sum under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 166, Florida Statutes Part VI, Chapter 218, Florida Statutes and other applicable provisions of law, City Resolution No. ____ adopted by the City Commission on July 21, 2014 (the "Resolution"), and the Agreement and is subject to all terms and conditions of the Agreement and the Resolution. Any term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Resolution or the Agreement, as the case may be.

This Note is a limited, special obligation of the City, payable from and secured solely by a lien upon and pledge of the Pledged Revenues, as defined and described and in the manner provided in the Agreement.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of nonusurious interest allowed under the State of Florida as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein.

THIS NOTE SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE CITY OR THE STATE OF FLORIDA (THE "STATE"), WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS OF INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES, AS PROVIDED

IN THE AGREEMENT AND THE RESOLUTION. THE HOLDER SHALL NEVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, OR TAXATION IN ANY FORM OF ANY PROPERTY THEREIN TO PAY THIS NOTE OR THE INTEREST THEREON.

Upon the occurrence of an Event of Default, the Holder shall also have such other remedies as described in the Agreement.

The City hereby waives presentment, demand, protest and notice of dishonor. This Note is governed and controlled by the Agreement and reference is hereby made thereto regarding interest rate adjustments and other matters.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City has caused this Note to be signed by its Mayor, either manually or with facsimile signature, and the seal of the City to be affixed hereto or imprinted or reproduced hereon, and attested by a City Clerk of the City, either manually or with facsimile signature, and this Note to be dated the Date of Issuance set forth above.

CITY OF FORT PIERCE, FLORIDA

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Approved as to form and Correctness:

City Attorney

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Note is being delivered pursuant to the within mentioned Agreement.

CITY OF FORT PIERCE, FLORIDA,
as Registrar

By: _____
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto _____ (please print or typewrite name, address and tax identification number of assignee) _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Name of Noteholder: _____

By: _____

Schedule I

Principal on this Note shall be payable on the following dates and in the following amounts:

<u>Year</u>	<u>Principal Amortization</u>
February 1, 2015	\$
August 1, 2015	

Exhibit B
Description of the Marina