

G/L Account Inquiry



G/L Account:

G/L Description:

Fiscal Year:

Submit

Account Information



Account Information

Previous Year Projected:	0.00
Original Budget:	0.00
User Budget:	0.00
Encumbrance Carry Over:	0.00
Active:	<input checked="" type="checkbox"/>
Requires Job Number:	
Create Asset From AP:	
Normal Balance:	CREDIT
Account Type:	Revenue
Close To Account:	403-276-00000
Revenue Group:	8 (Other)

Account Totals

YTD Through: November Fiscal Year: 2022		
	Year-To-Date	Fiscal Year
Budget Amount:	981,660.00	981,660.00
Budget Adjustment:	0.00	0.00
Revised Budget:	981,660.00	981,660.00
Total Receipts:	161,664.75	403,392.15
Uncol Balance:	819,995.25	578,267.85
Statistics:	0.00	0.00

Monthly Totals

Mon	Actuals	Accumulated Total	Net Encumbrance	Accumulated Encumbrances	Budget Amount	Budget Adjustment	Accumulated Budget	Statistics	Accumulated Statistics
Beg		0.00					0.00		
Oct	80,578.84	80,578.84	0.00	0.00	981,660.00	0.00	981,660.00	0.00	0.00
Nov	81,085.91	161,664.75	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Dec	75,421.22	237,085.97	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Jan	73,889.21	310,975.18	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Feb	92,416.97	403,392.15	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Mar	0.00	403,392.15	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Apr	0.00	403,392.15	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
May	0.00	403,392.15	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Jun	0.00	403,392.15	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Jul	0.00	403,392.15	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Aug	0.00	403,392.15	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Sep	0.00	403,392.15	0.00	0.00	0.00	0.00	981,660.00	0.00	0.00
Year End		0.00					981,660.00	0.00	0.00
Total	403,392.15	403,392.15	0.00	0.00	981,660.00	0.00	981,660.00	0.00	0.00

Monthly Summary From History

- History
- Open Purchase Orders
- GL Account Notes
- Vendor Totals
- G/L Budget Items
- A/P Workfile
- P/O Workfile
- Pre Encumbrance REQ
- Requisitions Issued



Balance as of Feb. 28, 2022

**City of Quincy
City Commission
Agenda Request**

Date of Meeting: January 8, 2019
Date Submitted: January 4, 2019
To: Honorable Mayor and Commissioners
From: Jack L. McLean Jr., Interim City Manager
Ted Beason, Finance Director
Subject: Ordinance 1102-2018 - Hurricane Michael
Electric Storm Surcharge on Second Reading

Statement of Issue

This is a proposal to adopt Ordinance 1102-2018 on Second Reading. The Ordinance passed on First Reading on December 11, 2018. The Ordinance presented in this agenda packet for Second Reading is identical to the one that passed on First Reading on December 11, 2018 (i.e., no change has been made to it). City staff is recommending that the City Commission vote to approve Ordinance 1102-2018 on Second Reading. For information sake the agenda item of December 11, 2018 is attached for your reference.

Summary and Highlights of Ordinance 1102-2018

When Hurricane Michael hit the Panhandle of Florida, it caused significant damage to the City of Quincy's electric distribution system. There were many municipal electric utilities that assisted the City in repairing our electric distribution system at an estimated cost of \$2,119,000.

Utility	Cost
Invoices Received	
Jacksonville Electric Authority	1,179,000
Troy	62,961
Andalusia	102,095
Russellville	50,212
Albertville	30,459
Projections	
Bartow	80,709
Tuskegee	159,014
Beaches	79,219
Athens	84,779
Lakeland	<u>291,230</u>
Total	2,119,678

Our current estimate for the materials and equipment for electric system restoration is \$200,000. The estimate for the restoration of the fiber system is \$800,000.

In addition to restoring the electric system, the City staff has outlined a program of storm hardening which would replace copper overhead electric lines and utility poles that are over 35 years old. Included in the storm hardening efforts would be the use of an outside contractor, Wolf Tree Trimming Service, to cut back trees and vegetation from electric lines and utilize additional budgeted personnel. The cost of the outside contractor would be \$187,000 per year.

Planned Expenditures

Mutual Aid	\$	2,119,678
Electric Equipment and Supplies	\$	200,000
Fiber System	\$	800,000
	\$	<u>3,119,678</u>
Storm Hardening		
6 Additional Electric Employees		
Pole and copper wire replacement		
Year 1 Personnel Costs	\$	250,000
Year 2 Personnel Costs	\$	250,000
Poles and Equipment	\$	130,000
Tree Trimming Contract		
Year 1	\$	187,000
Year 2	\$	187,000
Total Storm Hardening	\$	<u>1,004,000</u>
Interest Carrying Cost		
3.59% 2,000,000 Year 1	\$	71,800
1,300,000 Year 2	\$	46,670
800,000 Year 3	\$	28,720
Total Interest	\$	<u>147,190</u>
Total Rebuild, Storm Hardening and Interest	\$	4,270,868

In order to pay for storm recovery and hardening, the City staff proposes the implementation of the Michael Storm Recovery Fee, which would increase electric rates as follows:

Proposed Michael Recovery Charge

	Current KWH Charge	Michael Recovery Fee Increase	New Total KWH Charge	Existing Demand Charge	Increase Demand Charge	New Demand Charge
Residential	0.09241	0.00879	0.1012			
Commercial	0.09319	0.00881	0.1020			
Commercial Dem	0.05574	0.00526	0.0610	7.5	0.7125	8.2125
Industrial	0.04938	0.00472	0.0541	7.5	0.7125	8.2125

For a residential customer, the flat rate cost per kilowatt hour would increase, from 9.241 cents to 10.120, a 9.5% increase. However, when considering the total electric charges, which includes a base customer charge and fuel adjustment charge, the average residential customer with 1005 kwh of electric consumption would have an increase from \$111.53 to \$120.36, an \$8.83 increase, 7.92% increase.

	Current Electric Bill	Michael Storm Recovery Charge	Total Electric Bill After Surcharge	
Average Consumption kwh	1005	1005	1005	
Flat Rate per kwh	0.09241	0.00879	0.10120	
flat Rate Charge	\$ 92.87	\$ 8.83	\$ 101.70	
kwh	1005		1005	
Fuel Adjustment *	0.0126		0.0126	
Fuel Adjustment Charge	\$ 12.66	0	\$ 12.66	
Customer Charge	\$ 6.00	0	\$ 6.00	
Total Electric Charges	\$ 111.53	\$ 8.83	\$ 120.36	
Total Electric Charge Including Storm Recovery Fee			\$ 120.36	
Current Charge			\$ 111.53	
Storm Fee Increase			\$ 8.83	
Increase			\$ 8.83	7.92%
Starting Total Electric Charge			\$ 111.53	

* Average Fuel Adjustment Charge in FY 2018

The attached worksheet shows that the proposed Michael Storm Recovery Fee would raise \$1,024,000 a year that will go to pay for the rebuilding and strengthening of the system. The staff recommends that the fee would stay in place for 4 years, at which time the fee would terminate.

Options:

Option 1. Approve the enclosed Michael Storm Recovery Fee Ordinance on Second Reading.

Option 2. Provide direction

Staff Recommendation:

Option 1

ORDINANCE NO. 1102-2018

AN ORDINANCE OF THE CITY OF QUINCY, FLORIDA ENACTING A ELECTRIC UTILITY RATE SURCHARGE RELATING TO RECOVERY FROM HURRICANE MICHAEL; RECITING AUTHORITY; MAKING FINDINGS RELATED TO THE PURPOSE OF THIS ORDINANCE; AUTHORIZING THE ENACTMENT OF AN ELECTRIC UTILITY STORM RECOVERY SURCHARGE FOR THE PURPOSE OF PAYING FOR REPAIR, RESTORATION AND RELATED COSTS INCURRED FROM HURRICANE MICHAEL, INCLUDING (1) THE REPAYMENT OF ANY RELATED INTERIM OR OTHER FINANCING ARRANGEMENT, (2) THE UPGRADING OF THE ELECTRIC SYSTEM TO BE MORE HURRICANE RESISTANT, AND (3) ESTABLISHING A STORM RESERVE FUND; PROVIDING FOR THE CARRYING OUT OF OTHER RELATED MATTERS; PROVIDING FOR CONFLICTS AND SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

SECTION 1. AUTHORITY.

This Ordinance No. 1102-2018 (hereinafter called the "Ordinance") is enacted pursuant to the City Charter, provisions of Chapter 166, Florida Statutes, and other applicable provisions of law.

SECTION 2. FINDINGS.

It is hereby ascertained, found, determined and declared by the City Commission of the City of Quincy, Florida, that:

WHEREAS, the City of Quincy, Florida, (the "City") desires to establish electric rates, charges, and fees by ordinance; and

WHEREAS, on October 10, 2018, Hurricane Michael, a category 4 hurricane, made landfall on the northern Gulf Coast of Florida, moving inland to the north, and causing extensive damage to the City's electric grid and leaving approximately 4,750 customers without electricity for more than one week; and

WHEREAS, the City proceeded to expeditiously to repair the City electrical system and restore power to the City's customers, incurring significant unanticipated costs through employment of resources from other electric utilities through a mutual aid agreement; and

WHEREAS, although the City expects to be reimbursed from the Federal Emergency Management Agency (FEMA) and the State of Florida the majority of these costs, and possibly the entire cost, the City expects that it will be an extended period of time before such reimbursement is completed, requiring that interim financing be obtained; and

WHEREAS, the City has identified the need to make certain identified upgrades/improvements to the electric system to make the system more resistant to damage from future hurricane events; and

WHEREAS, the City Commission has determined that it is necessary to enact a temporary electric utility rate surcharge to finance (1) the cost of obtaining a loan financing costs of repair and restoration of the electric system from damage by Hurricane Michael, (2) to pay for upgrading the electric system to make the system more resistant to future damage by hurricanes and (3) to establish a storm reserve fund to insure that, in the future, funds will be available to pay for repair and restoration of the electric system in the aftermath of a hurricane; and

WHEREAS, the City Commission has determined that the rate adjustment as effectuated hereby will result in rates which are reasonable, equitable and in the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF QUINCY, FLORIDA, as follows:

SECTION 3. RATE ADJUSTMENT AND APPROVAL OF STORM RECOVERY SURCHARGE.

The City Commission hereby adopts the findings provided above in Section 2 herein above as the factual basis and its intent in adopting this Ordinance.

The City Commission of the City of Quincy hereby approves the adjustments to the electric rates of the City of Quincy and the enactment of a storm recovery surcharge on all electric customers of the City as provided for in Exhibit A. The storm recovery surcharge imposed by this Ordinance shall become effective on the first billing cycle of the first month following the effective date of this Ordinance and shall remain in effect

Until January 31, 2023, unless extended or earlier terminated by subsequent ordinance of the City Commission, as may be determined necessary by the City Commission to fully accomplish the purposes of the surcharge adopted hereby.

SECTION 4. OTHER MATTERS.

The Mayor and the City Manager are hereby authorized and directed to take such actions as they may deem necessary or appropriate in order to implement the provisions of this Ordinance, including the execution of related documents or instruments. All action taken to date by the aforementioned officers of the City in furtherance of this Ordinance is hereby approved, confirmed and ratified.

SECTION 5. CONFLICTS AND SEVERABILITY.

(1) All resolutions or ordinances, or parts thereof, of the City in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

(2) If any Section or any portion of a Section of this Ordinance proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other Section or part of this Ordinance.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect immediately upon its enactment.

INTRODUCED in open session of the City Commission of the City of Quincy, Florida on the 11th day of December, 2018.

ENACTED by the City Commission of the City of Quincy, Florida on the ____ day of _____, 2019.

[Signature page follows]

APPROVED:

Angela G. Sapp, Mayor and Presiding
Officer of the City Commission and of the
City of Quincy, Florida

ATTEST:

By: Betty Powell
Acting Clerk of the City of Quincy and
Acting Clerk to the Commission thereof

APPROVED AS TO FORM AND LEGALITY:

Scott Shirley, City Attorney

ORDINANCE NO. 1102-2018

EXHIBIT A

CITY OF QUINCY ELECTRIC RATES
AND STORM RECOVERY SURCHARGE

City of Quincy Code of Ordinances Chapter 74, Article VI, Electric System, Division 2, Rates and Charges, is hereby amended as follows:

Sec. 74-177. Residential electric service rate schedule.

(a) and (b), no change.

(c) Monthly rate.

Customer charge, per meter . . . \$6.00

Flat rate, per kwh09241

Temporary Hurricane Michael Surcharge: flat rate, per kwh .00879 . This surcharge shall begin and terminate as provided in Ordinance No. 1102-2018_____.

(d), (e) and (f), no change.

Sec. 74-178. General service electric rate schedule.

(a) and (b), no change.

(c) Monthly rate.

Customer charge, per meter . . . \$16.62

Flat rate, per kwh09319

Temporary Hurricane Michael Surcharge: flat rate, per kwh . .00881. This surcharge shall begin and terminate as provided in Ordinance No. 1102-2018.

(d), (e) and (f), no change.

Sec. 74-179. Regular general service demand rate schedule.

(a), no change.

(b) Monthly rate.

(1) Customer charge, per meter . . . \$60.45

(2) Demand charge, per kw of demand . . . 7.50

(3) Energy charge, flat rate per kilowatt-hour charge, per kw of demand05574

Temporary Hurricane Michael Surcharge: energy charge, flat rate per kilowatt-hour charge 00526, per kw of demand .7125. This surcharge shall begin and terminate as provided in Ordinance No. 1102-2018.

(c) – (h), no change.

Sec. 74-180. Regular general service demand, large demand rate schedule.

(a), no change.

(b) Monthly rate.

(1) Customer charge, per meter . . . \$ 120.90

(2) Demand charge, per kw of demand . . . 7.50

(3) Energy charge, flat rate per kilowatt-hour charge, per kw of demand04938

Temporary Hurricane Michael Surcharge: energy charge, flat rate per kilowatt-hour charge .00472, per kw of demand .7125. This surcharge shall begin and terminate as provided in Ordinance No 1102-2018.

(c) – (h), no change.

RESOLUTION NO. 1383-2019

A RESOLUTION OF THE CITY OF QUINCY, FLORIDA, PROVIDING FOR THE BORROWING IN THE FORM OF A LINE OF CREDIT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,000,000 FROM CAPITAL CITY BANK TO FINANCE THE PROJECT; PROVIDING FOR THE ISSUANCE OF THE CITY OF QUINCY, FLORIDA, UTILITY SYSTEM SUBORDINATE REVENUE NOTE, SERIES 2019; PLEDGING THE PLEDGED REVENUES; PROVIDING FOR THE PAYMENT OF THE SERIES 2019 NOTE AND THE EXECUTION AND RELATED FINANCING DOCUMENTS IN CONNECTION THEREWITH; AUTHORIZING FURTHER OFFICIAL ACTION IN CONNECTION WITH THE DELIVERY OF THE SERIES 2019 NOTE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Quincy, Florida (the "Issuer") requested information from qualified banking institutions in order to identify a banking institution that can best provide the Issuer with a bank qualified, tax-exempt Line of Credit; and

WHEREAS, the Line of Credit will be used to fund Hurricane Michael-related response and recovery expenses, including the costs associated with the repairs of fiber network and the payment of utility crews; and

WHEREAS, the Issuer received a proposal from Capital City Bank (the "Lender") and the Lender has agreed to make a Line of Credit available to the Issuer; and

WHEREAS, pursuant to the Resolution, the Issuer has determined that it is in the best interest of the health, safety and welfare of the Issuer and the inhabitants thereof that the Issuer pledge the Pledged Revenues to secure the obligations of the Issuer to repay the principal of and interest on the Series 2019 Note when due; and

WHEREAS, the obligation of the Issuer to repay principal of and interest on the Series 2019 Note will not constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of any provision of the Constitution or laws of the State, but shall be and is hereby declared to be a special, limited obligation of the Issuer, secured solely by the Pledged Revenues; and

WHEREAS, the Issuer is not authorized to levy taxes on any property of or in the City of Quincy, Florida to pay the principal of or interest on the Series 2019 Note or to make any other payments provided for herein; and

WHEREAS, the Issuer has previously determined that it is necessary for the health, safety and welfare of the Issuer and in the best interest of its inhabitants to perform the Project (as hereinafter defined) and that issuance of the Series 2019 Note (as hereinafter defined) satisfies an essential public purpose.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF QUINCY, FLORIDA AS FOLLOWS:

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

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

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

"City Commission" means the City Commission of the City of Quincy, Florida, as the governing body of the Issuer.

"City Manager" means the City Manager of the Issuer, or his designee.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment" means the Commitment dated November 7, 2019, as amended, for purchase of the Series 2019 Note and the provision of the line of credit, submitted to the Issuer by the Lender and accepted by the Issuer with such changes as agreed to by the Issuer and the Lender.

"Finance Director" means the Finance Director of the Issuer.

"Issuer" means the City of Quincy, Florida, a municipal corporation of the State of Florida.

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

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

"Loan" means the line of credit in the aggregate principal amount not to exceed \$3,000,000 from the Lender to the Issuer pursuant and in accordance with the Line of Credit Agreement.

"Mayor" means the Mayor of the Issuer, or in the Mayor's absence, the Vice Mayor.

"Pledged Revenues" mean the Net Revenues of the Utility System (as defined in the Line of Credit Agreement).

"Project" means the clean-up and reconstructive efforts related to the aftermath of Hurricane Michael, including but not limited to, the costs associated with the repairs of fiber network and the payment of utility crews.

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

"Senior Lien Bonds" mean the Issuer's remaining outstanding \$8,890,000 Utility System Improvement Refunding and Revenue Bonds, Series 2003; \$6,000,000 Utility System Revenue Bonds, Series 2011; State Revolving Loan Fund Loan Project #DW2006010 outstanding in the amount of \$3,030,250.40; State Revolving Loan Fund Loan Project #CS1206107P outstanding in the amount of \$431,230.55; State Revolving Loan Fund Loan Project #200100 outstanding in the amount of \$383,438.22; State Revolving Loan Fund Loan Project #641090 outstanding in the amount of \$288,105.01.

"Series 2019 Note" means the City of Quincy, Florida, Utility System Subordinate Revenue Note, Series 2019, authorized herein, in substantially the form attached to the Line of Credit Agreement as Exhibit A, with such modifications or changes thereto as may be necessary or desirable, in the opinion of the City Attorney, and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Issuer any additional rights or privileges not inconsistent with the terms of the Commitment, such approval of the modifications or changes to be presumed by the execution and delivery thereof by the Issuer to the Lender.

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

(A) 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 finance the costs and expenses associated with the Project. Issuance of the Series 2019 Note satisfies a public purpose.

(B) The Pledged Revenues are not currently pledged to any obligation of the Issuer, except to the Senior Lien Bonds. The lien on the Pledged Revenues on the Series 2019 Note will be junior and subordinate to the lien on the Pledged Revenues on the Series Lien Bonds.

(C) The Series 2019 Note will be payable from Pledged Revenues. The Pledged Revenues are expected to be sufficient to pay the Series 2019 Note and the Senior Lien Bonds as the same becomes due.

(D) The City Commission determined that the Lender's Commitment contained terms favorable to the Issuer.

(E) Because of the characteristics of the Series 2019 Note, prevailing market conditions, and an ability to have an expeditious sale of the Series 2019 Note, it is in the best interest of the Issuer to sell the Series 2019 Note at a private negotiated sale to the Lender. The Issuer has received the Commitment from the Lender for the Loan, and, it is in the best interests of the Issuer that the Commitment be accepted. Prior to the issuance of the Series 2019 Note, the Issuer shall receive from the Lender, a Lender's Certificate, the form of which is attached hereto as Exhibit B and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

(F) The obligation of the Issuer to repay the Series 2019 Note in accordance with its terms and to make the payments required under the Line of Credit Agreement is hereby declared to be and shall be a special, limited obligation of the Issuer, secured solely by the Pledged Revenues. The obligation of the Issuer to repay the Series 2019 Note in accordance with its terms and to make any other payments, if any, required under the Series 2019 Note or the Line of Credit Agreement shall not be or constitute a general obligation or indebtedness of the Issuer and neither the Series 2019 Note nor the Line of Credit Agreement shall be or constitute a "bond" of the Issuer within the meaning of Article VII, Section 12, Florida Constitution (1968). Neither the Lender nor any successor owner of the Series 2019 Note shall be entitled to compel the payment of the principal of or interest on the Series 2019 Note or the making of any payments required under the Series 2019 Note or the Line of Credit Agreement from any moneys of the Issuer other than the Pledged Revenues, as provided herein and in the Line of Credit Agreement.

Section 4. Approval of Commitment. The Issuer accepts the Lender's Commitment.

Section 5. Authorization of Series 2019 Note and Project. Subject and pursuant to the provisions hereof and in accordance with the provisions of the Line of Credit Agreement, the issuance by the Issuer of its Series 2019 Note, in an aggregate principal amount of not to exceed Three Million Dollars (\$3,000,000) at any one time, to be dated, to bear interest, to be payable, to mature, to be subject to redemption and to have such other characteristics as provided in the Series 2019 Note, the Line of Credit Agreement and the Commitment, and to be secured as provided in the Line of Credit Agreement is hereby authorized. The financing of the Project with proceeds from the Loan is hereby approved.

Section 6. Approval of Form of Line of Credit Agreement and Series 2019 Note. The Line of Credit Agreement and the Series 2019 Note, in substantially the form attached hereto as Exhibit A, are approved, and the Mayor and City Clerk are authorized to execute and deliver the Line of Credit Agreement and the Series 2019 Note to the Lender, and to take such other actions as shall be necessary to consummate the Loan.

Section 7. Authorization of Other Action. The Mayor, the City Clerk, the City Manager, the Finance Director and the City Attorney are each designated agents of the Issuer in connection with the execution and delivery of the Line of Credit Agreement and the Series 2019 Note and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Issuer which are necessary or desirable in connection with the execution and delivery of the Line of Credit Agreement and the Series 2019 Note to the Lender, including, but not limited to, the making of modifications to the Line of Credit Agreement and the Series 2019 Note to conform the provisions thereof to the provisions of the Commitment.

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

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

Section 10. Severability. If any one or more of the covenants, agreements, or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all other provisions of the Resolution or of the Series 2019 Note or Line of Credit Agreement delivered hereunder.

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

Section 12. Bank Qualified. The Issuer hereby designates the Series 2019 Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The Issuer and any subordinate entities of the Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during the calendar year 2019 to issue more than \$10,000,000 of "tax-exempt" obligations including the Series 2019 Note, exclusive of any private activity bonds as defined in Section 141(a) of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code).

Section 13. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this ____ day of January, 2019.

CITY COMMISSION OF THE CITY OF QUINCY,
FLORIDA

By: _____
ANGELA G. SAPP, MAYOR

(SEAL)

ATTESTED:

By: _____
SYLVIA HICKS, CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS:

By: _____
SCOTT SHIRLEY, ESQ., CITY ATTORNEY

EXHIBIT A

FORM OF LINE OF CREDIT AGREEMENT

LINE OF CREDIT AGREEMENT

by and between

CITY OF QUINCY, FLORIDA

and

CAPITAL CITY BANK

Dated January 10, 2019

relating to

Not to Exceed \$3,000,000
CITY OF QUINCY, FLORIDA
UTILITY SYSTEM SUBORDINATE REVENUE NOTE, SERIES 2019

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. DEFINITIONS.....	1
SECTION 2. INTERPRETATION.	8
SECTION 3. THE LOAN.....	8
SECTION 4. DESCRIPTION OF SERIES 2019 NOTE.	8
SECTION 5. EXECUTION OF SERIES 2019 NOTE.....	9
SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2019 NOTE.....	9
SECTION 7. SERIES 2019 NOTE MUTILATED, DESTROYED, STOLEN OR LOST.....	10
SECTION 8. FORM OF SERIES 2019 NOTE.	11
SECTION 9. SECURITY FOR SERIES 2019 NOTE; SERIES 2019 NOTE NOT DEBT OF THE ISSUER.	11
SECTION 10. COVENANTS OF THE ISSUER.	11
SECTION 11. REPRESENTATIONS AND WARRANTIES.	12
SECTION 12. CONDITIONS PRECEDENT.....	13
SECTION 13. NOTICES.	14
SECTION 14. EVENTS OF DEFAULT DEFINED.	14
SECTION 15. NOTICE OF DEFAULTS.	15
SECTION 16. REMEDIES.....	15
SECTION 17. NO PERSONAL LIABILITY.	15
SECTION 18. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS.	16
SECTION 19. AMENDMENTS, CHANGES AND MODIFICATIONS.	16
SECTION 20. BINDING EFFECT.	16
SECTION 21. SEVERABILITY.....	16
SECTION 22. EXECUTION IN COUNTERPARTS.....	16
SECTION 23. APPLICABLE LAW	16
SECTION 24. VENUE.....	16
SECTION 25. ASSIGNMENT.....	16
EXHIBIT A - FORM OF SERIES 2019 NOTE	

LINE OF CREDIT AGREEMENT

This **LINE OF CREDIT AGREEMENT** is made and entered into as of January 10, 2019 by and between the **CITY OF QUINCY, FLORIDA** (the "Issuer"), and **CAPITAL CITY BANK**, a state banking corporation (together with its successors and/or assigns, the "Lender").

WITNESSETH:

WHEREAS, the Issuer has previously determined that it is necessary for the health, safety and welfare of the Issuer and in the best interest of its inhabitants to construct the Project (as hereinafter defined). Issuance of the Series 2019 Note (as hereinafter defined) satisfies an essential public purpose.

WHEREAS, the Issuer received a proposal from the Lender and the Lender has agreed to make a not to exceed \$3,000,000 line of credit available to the Issuer; and

WHEREAS, pursuant to the Resolution, the Issuer has determined that it is in the best interest of the health, safety and welfare of the Issuer and the inhabitants thereof that the Issuer pledge the Pledged Revenues to secure the obligations of the Issuer to repay the principal of and interest on the Series 2019 Note when due; and

WHEREAS, the obligation of the Issuer to repay principal of and interest on the Series 2019 Note will not constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of any provision of the Constitution or laws of the State, but shall be and is hereby declared to be a special, limited obligation of the Issuer, secured solely by the Pledged Revenues; and

WHEREAS, the Issuer is not authorized to levy ad valorem taxes on any property of or in the Issuer to pay the principal of or interest on the Series 2019 Note or to make any other payments provided for herein.

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

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

“Act” means Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law.

“Additional Bonds” means additional obligations, issued in compliance with the Senior Lien Resolution which will have an equal lien on the Net Revenues and ranking equally in all other respects with the Senior Lien Bonds issued under the Senior Lien Resolution.

“Advance” means deposit by wire transfer or credit from the Lender to/for the account of the Issuer of a portion of the Loan by Lender to the Issuer.

“Authorized Issuer Representative” means the Interim City Manager or his/her designee.

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

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

“Bond Resolution” means collectively, the Senior Lien Resolution and the Subordinate Resolution.

“Bonds” means the Senior Lien Bonds and any Additional Bonds.

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

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

“City Commission” means the City Commission of the City of Quincy, Florida, as the governing body of the Issuer.

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

“Code” means the Internal Revenue Code of 1986, as amended.

“Cost of Operation and Maintenance” means the current expenses, paid or accrued, of operation, maintenance and repair of the System and its facilities, as calculated in accordance with generally accepted accounting principles in the United States for governmental entities, consistently applied, and shall include, without limiting the generality of the foregoing, administrative expenses relating to the System, purchase of water or of wastewater (sewer)

treatment services, the purchase, generation, transmission and distribution of electric power, the purchase, transmission and distribution of gas and/or the provision of fiber optic capacity or capabilities (if the same may be treated as an operating cost under generally accepted accounting principles in the United States) and insurance premiums, the Operating Component of Cost for Contracted Services and charges for the accumulation of appropriate reserves for self-insurance, not annually recurrent but which are reasonably expected to be incurred on a periodic basis in accordance with generally accepted accounting principles in the United States, consistently applied and payment of the Rebate Amount. The Cost of Operation and Maintenance shall not include (i) any reserve for renewals and replacements, extraordinary repairs or any allowance for depreciation or amortization, (ii) the payment of any principal of and interest on the Bonds and any other notes, bonds and similar obligations of the City, and (iii) payments made by the City under leases that are capitalized in accordance with generally accepted accounting principles in the United States.

“Date of Delivery” means January 10, 2019.

“Default” means an Event of Default as defined and described in Section 14 hereof.

“Determination of Taxability” shall mean, with respect to the Series 2019 Note, (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Series 2019 Note is includable for federal income tax purposes in the gross income of the Lender, which notice or notification is not successfully contested by either the Issuer or the Lender, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Series 2019 Note is includable for federal income tax purposes in the gross income of the Lender, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the Series 2019 Note is determined not to be a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (as hereinafter defined), or (iv) the admission in writing by the Issuer to the effect that interest on the Series 2019 Note includable for federal income tax purposes in the gross income of the Lender.

“Fiber Optic Revenues” means all rates, fees, charges (other than Connection Charges), income, rents, receipts and earnings derived by the Issuer from or attributable to the ownership, operation, leasing or use of the Fiber Optic System, or the Issuer’s existing “dial up” internet service systems, or any part thereof, including, without limitation, special assessments related to improvements to the Fiber Optic System but only to the extent specifically designated by the City Commission to be included in Gross Revenues for the purposes of the Senior Lien Resolution and the proceeds of any insurance covering business interruption loss related to the Fiber Optic System.

“Fiber Optic System” means the complete system for the provision of high-speed, advanced telecommunications services to residents and businesses within or outside of the Issuer, and all parts and components thereof or interests therein, owned, operated, used or controlled by the Issuer and any leasehold or other interest in any other fiber optic facilities

which the Issuer owns or acquires, and all such parts and components of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Senior Lien Resolution or from any other sources, together with all land and interests therein, plants, buildings, machinery, franchises, lines, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the Issuer in connection therewith and any joint venture or ownership or other interest in any fiber optic facility.

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

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

“Gas Revenues” means all rates, fees, charges, income, rents, receipts and earnings derived by the Issuer from or attributable to the ownership, operation, leasing or use of the Gas System (other than Connection Charges), or any part thereof, including, without limitation, special assessments related to improvements to the Gas System but only to the extent specifically designated by the City Commission to be included in Gross Revenues for the purposes of the Senior Lien Resolution, and the proceeds of any insurance covering business interruption loss related to the Gas System.

“Gas System” means the complete gas transmission and distribution system and all parts and components thereof or interests therein, owned, operated, used or controlled by the Issuer and any leasehold or other interest in any gas transmission or distribution plants or facilities which the Issuer owns or acquires, and all such parts and components of any of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Senior Lien Resolution or from any other sources, together with all land and interests therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the Issuer in connection therewith and any joint venture or ownership or other interest in any gas transmission or distribution plant or facility or any right to use capacity or receive the output or services of any such plant or facility.

“Grant Proceeds” means the reimbursement proceeds received by the Issuer from any federal or state governmental agencies related to Hurricane Michael, including but not limited to, the Federal Emergency Management Agency, the Florida Division of Emergency Management and the State of Florida.

“Gross Revenues” means the Electric Revenues, the Water Revenues, the Sewer Revenues, the Gas Revenues, the Fiber Optic Revenues and any income from the investment of funds to be deposited in the Revenue Funds, or any of the accounts therein as herein provided, moneys deposited from the Rate Stabilization Fund to the Revenue Funds in accordance with the terms of the Senior Lien Resolution, but shall not include (i) proceeds from the sale of any Bonds

or other obligations of the Issuer, (ii) Connection Charges, (iii) moneys received by the Issuer from federal, state or local governmental grants or stipends that by their terms are restricted from being used in the manner that Revenues are to be applied under the Senior Lien Resolution, (iv) refundable customer deposits held by the Issuer (until such time as such deposits are properly includable as revenues based on customary practices of the Issuer), or (v) in any Fiscal Year, moneys deposited from the Revenue Funds into the Rate Stabilization Fund. Notwithstanding the foregoing, transfers to the Revenue Funds from the Rate Stabilization Fund and the Renewal and Replacement Fund shall not be deemed "Gross Revenues" for purposes of calculating compliance with the Rate Covenant or the Additional Bonds Test.

"Interest Rate" means a tax-exempt fixed per annum interest rate equal to 3.59%.

"Issuer" means the City of Quincy, Florida.

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

"Line of Credit Agreement" means this agreement between the Lender and the Issuer setting forth the terms and details of the Loan.

"Loan" means the advance of moneys from the Lender to the Issuer pursuant to this Line of Credit Agreement.

"Maturity Date" means January 10, 2022.

"Net Revenues" with respect to any Fiscal Year shall be the remainder of the Gross Revenues, after deducting the Cost of Operation and Maintenance for such Fiscal Year, to the extent not released from the pledge contemplated in the Senior Lien Resolution.

"Paying Agent" means the Finance Director.

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

"Pledged Revenues" means the Net Revenues.

"Principal Balance" means the amount of principal outstanding under the Series 2019 Note at any time which amount shall equal the sum of all Advances less any prepayments of principal.

"Project" means the clean-up and reconstructive efforts related to the aftermath of Hurricane Michael, including but not limited to, the costs associated with the repairs of the Issuer's fiber network and the payment of utility crews.

“Register” means the books maintained by the Registrar in which are recorded the name and address of the Registered Owner of the Series 2019 Note.

“Registered Owner” means the person in whose name the ownership of the Series 2019 Note is registered on the books maintained by the Registrar. The initial Registered Owner shall be the Lender.

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

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

“Revenues” means (a) except to the extent hereinafter excluded, all income earned by the City Commission from the operation and use of and for the services furnished or to be furnished by the Project and properties financed by Senior Lien Bonds, (b) income received by the City Commission under any agreement to manage or operate facilities on behalf of any person, and (c) any proceeds of business interruption insurance. There shall not be included in Revenues (i) any grants, contributions or donations; (ii) income from the operation of any facilities for so long as such facilities are not part of the Project; (iii) any proceeds of insurance other than as mentioned above; and (iv) the proceeds of any borrowing.

“Senior Lien Bonds” mean the Issuer’s remaining outstanding \$8,890,000 Utility System Improvement Refunding and Revenue Bonds, Series 2003; \$6,000,000 Utility System Revenue Bonds, Series 2011; State Revolving Loan Fund Loan Project #DW2006010 outstanding in the amount of \$3,030,250.40; State Revolving Loan Fund Loan Project #CS1206107P outstanding in the amount of \$431,230.55; State Revolving Loan Fund Loan Project #200100 outstanding in the amount of \$383,438.22; State Revolving Loan Fund Loan Project #641090 outstanding in the amount of \$288,105.01.

“Senior Lien Resolution” means Resolution No. 1132 adopted by the City Commission on December 9, 2003, as amended and supplemented from time to time.

“Series 2019 Note” means the Utility System Subordinate Revenue Note, Series 2019, of the Issuer, substantially in the form attached hereto as Exhibit A.

“Sewer Revenues” means all rates, fees, charges, income, rents, receipts and earnings derived by the Issuer from or attributable to the ownership, operation, leasing or use of the Sewer System (other than Connection Charges), or any part thereof, including, without limitation, special assessments related to improvements to the Sewer System but only to the extent specifically designated by the City Commission to be included in Gross Revenues for the purposes of the Senior Lien Resolution, and the proceeds of any insurance covering business interruption loss related to the Sewer System.

“Sewer System” means the complete wastewater (sewer) collection, treatment, disposal and distribution system and system for reuse of reclaimed water and all parts and components

thereof or interests therein, owned, operated, used or controlled by the Issuer and any leasehold or other interest in any other wastewater (sewer) plants or facilities which the Issuer owns or acquires, and all such parts and components of any of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Senior Lien Resolution or from any other sources, together with all land and interests therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the Issuer in connection therewith and any joint venture or ownership or other interest in any sewer or wastewater plant or facility or any right to use capacity or receive the output or services of any sewer or wastewater plant or facility. The Sewer System does not include any facilities for the disposal of stormwater.

“State” means the State of Florida.

“Subordinate Resolution” means Resolution No. _____ adopted by the Issuer on January 8, 2019, as may be amended and supplemented from time to time.

“System” means the Sewer System, the Water System, the Electric System, the Gas System and the Fiber Optic System.

“Taxable Rate” shall mean a rate equal to [4.54]% upon and following a Determination of Taxability.

“Water Revenues” means all rates, fees, charges, income, rents, receipts and earnings derived by the Issuer from or attributable to the ownership, operation, leasing or use of the Water System (other than Connection Charges), or any part thereof, including, without limitation, special assessments related to improvements to the System but only to the extent specifically designated by the City Commission to be included in Gross Revenues for the purposes of the Senior Lien Resolution and the proceeds of any insurance covering business interruption loss related to the Water System.

“Water System” means the complete system for the treatment, storage and distribution of potable water and all parts and components thereof or interests therein, owned, operated, used or controlled by the Issuer and any leasehold or other interest in any other water plants or facilities which the Issuer owns or acquires, and all such parts and components of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Senior Lien Resolution or from any other sources, together with all land and interests therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the Issuer in connection therewith and any joint venture or ownership or other interest in any water plant or facility or any right to use capacity or receive the output or services of any water plant or facility.

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

SECTION 3. THE LOAN.

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

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

SECTION 4. DESCRIPTION OF SERIES 2019 NOTE. The obligation of the Issuer to repay the Loan shall be evidenced by the Series 2019 Note. The Series 2019 Note shall be dated as of the Date of Delivery; shall mature on the Maturity Date; and shall be in registered form.

A. Amount of Series 2019 Note. The Principal Balance of the Series 2019 Note shall be equal to the aggregate amount of all Advances requested by the Issuer and disbursed by the Lender less the amounts of principal prepaid by the Issuer to the Lender, provided however, that the aggregate principal amount outstanding at any time shall not exceed Three Million Dollars (\$3,000,000).

B. Interest Rate. Interest on the Series 2019 Note shall equal the Interest Rate and shall be calculated using a 360-day year for the actual number of days elapsed. In the event a Determination of Taxability due to the actions or inactions of the Issuer shall have occurred, the interest rate on the Series 2019 Note shall be increased to the Taxable Rate, effective retroactively to the date on which the interest payable on the Series 2019 Note is includable for federal income tax purposes in the gross income of the Lender.

C. Payments. Interest on the Series 2019 Note shall be paid semi-annually in arrears on June 1 and December 1, commencing June 1, 2019 until the Maturity Date. Principal shall be paid on the Maturity Date. Additional principal prepayments shall be made as required by Section 10.B hereof and authorized by Section 4.E hereof.

D. Advances under the Series 2019 Note. The Series 2019 Note may be drawn upon at anytime for a period of six (6) months from the Date of Delivery. The initial Advance shall be in a minimum amount of \$750,000. Each Advance constitutes a representation by the Issuer that it remains in full compliance with the terms of this Line of Credit Agreement, that no Determination of Taxability has occurred, that no Event of Default currently exists and that no Event of Default, that has not been cured within any applicable grace and notice period, would exist with the passage of time or the giving of notice.

The Lender shall not be required to make any further Advances if an Event of Default has occurred and is continuing or if a Determination of Taxability, as defined in the Series 2019 Note, has occurred.

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

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

G. Subordinate Debt. The Series 2019 Note is hereby designated as Subordinate Debt pursuant to, and as described in, the Senior Lien Resolution.

SECTION 5. EXECUTION OF SERIES 2019 NOTE. The Series 2019 Note shall be executed in the name of the Issuer by the Mayor and attested by the City Clerk, and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Series 2019 Note may be signed and sealed on behalf of the Issuer by any person who at the actual time of the execution of the Series 2019 Note shall hold the appropriate office in the Issuer, although at the date thereof the person may not have been so authorized. The Series 2019 Note may be executed by the facsimile signatures of the Mayor and/or City Clerk, provided that at least one of the foregoing signatures must be a manual signature.

SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2019 NOTE. The Series 2019 Note shall be and shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and each Registered Owner, in accepting the Series 2019 Note, shall be conclusively deemed to have agreed that such Series 2019 Note shall be and have all of the qualities and incidents of negotiable instruments thereunder.

There shall be a Registrar who shall be responsible for maintaining the Register. The person in whose name ownership of a Series 2019 Note 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 2019 Note for all purposes, whether or not the Series 2019 Note shall be overdue, and any notice to the contrary shall not be binding upon the Issuer or the Registrar.

Ownership of the Series 2019 Note may be transferred or assigned only upon the Register. Upon surrender to the Registrar for transfer or exchange of the Series 2019 Note accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Registered Owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the Registered Owner or the transferee or transferees, as the case may be, a new fully registered Series 2019 Note of the same amount, maturity and interest rate as

the Series 2019 Note surrendered. Provided however, any assignment or transfer by the Registered Owner of the Series 2019 Note shall be in whole and not in part.

The Series 2019 Note 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 Issuer Attorney, Bond Counsel, or the Registrar, duly executed by the Registered Owner or by his duly authorized attorney.

The City Manager and the Registrar may charge the Registered Owner a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer after the first such exchange or transfer following the delivery of such Series 2019 Note. The Registrar or the Interim City Manager may also require payment from the Registered Owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto by a governmental entity other than the Issuer. Such charges and expenses shall be paid before any such new Series 2019 Note shall be delivered.

The new Series 2019 Note delivered upon any transfer or exchange shall be a valid obligation of the Issuer, evidencing the same debt as the Series 2019 Note surrendered, shall be secured under this Line of Credit Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2019 Note surrendered.

Whenever a Series 2019 Note shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Series 2019 Note 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 7. SERIES 2019 NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case the Series 2019 Note shall be mutilated, or be destroyed, stolen or lost, upon the Registered Owner furnishing the Registrar satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur, the Registrar shall issue and deliver a new Series 2019 Note of like tenor as the Series 2019 Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Series 2019 Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Series 2019 Note, upon surrender of such mutilated Series 2019 Note, if any, to the Registrar and the cancellation thereof; provided however, if the Series 2019 Note shall have matured or be about to mature, instead of issuing a substitute Series 2019 Note, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Series 2019 Note be lost, stolen or destroyed, without surrender thereof. Any Series 2019 Note surrendered under the terms of this Section 7 shall be cancelled by the Registrar.

Any such new Series 2019 Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the Issuer whether or not, as to the new Series 2019 Note, the lost, stolen or destroyed Series 2019 Note be at any time found by anyone,

and such new Series 2019 Note shall be entitled to equal and proportionate benefits and rights as to security for payment to the same extent as the Series 2019 Note originally issued hereunder.

SECTION 8. FORM OF SERIES 2019 NOTE. The Series 2019 Note shall be in substantially the form attached hereto as Exhibit A, with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Line of Credit Agreement.

SECTION 9. SECURITY FOR SERIES 2019 NOTE; SERIES 2019 NOTE NOT DEBT OF THE ISSUER. The payment of the principal of and interest on the Series 2019 Note shall be secured forthwith solely by a lien upon and pledge of the Pledged Revenues. The principal of and interest on the Series 2019 Note shall not constitute a general obligation or indebtedness of the Issuer, but shall be a limited obligation of the Issuer payable solely from the Pledged Revenues as provided herein. The Registered Owner shall never have the right to compel the levy of ad valorem taxes upon any property of or in the Issuer for the payment of the principal of and interest on the Series 2019 Note.

The Series 2019 Note is junior and subordinate in all respects to the Senior Lien Bonds as to lien on, and source of and security for payment from the Net Revenues.

SECTION 10. COVENANTS OF THE ISSUER. Until the principal of and interest on the Series 2019 Note shall have been paid in full or provision for payment of the Series 2019 Note shall have been made in accordance with the provisions of this Line of Credit Agreement, the Issuer covenants with the Registered Owner of the Series 2019 Note as follows:

A. Payments. The Issuer will punctually pay all principal of and interest on the Series 2019 Note when due by wire transfer or other medium acceptable to the Issuer and the Lender, as provided by Section 4 hereof.

B. Reimbursements. The Issuer covenants that it will pay to the Lender to be utilized to prepay principal on the Series 2019 Note all proceeds of reimbursements from the Grant Proceeds received in connection with the Project promptly upon receipt thereof.

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

D. Annual Budget and Other Information. The Issuer will prepare its annual budget in accordance with the Act, and will provide to the Lender a copy of its final annual budget for each Fiscal Year within 30 days of adoption thereof by the City Commission, and the Issuer will provide the Lender such other financial or public information as the Lender may reasonably request.

E. Tax Compliance. 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 2019 Note at any time during the term of the Series 2019 Note which would cause the Series 2019 Note to be (a) a “private activity bond” within the meaning of Section 103(b)(1) of the Code or (b) an “arbitrage bond” within the meaning of Section 103(b)(2) of the Code. The Issuer covenants throughout the term of the Series 2019 Note to comply with the requirements of the Code and the Regulations, as amended from time to time, and to take all actions, and to not permit the omission of any actions, necessary to maintain the exclusion from gross income for purposes of the Code of interest on the Series 2019 Note, including without limitation, the payment of arbitrage rebate, if required.

The Issuer makes each of the representations, warranties and covenants contained in the Tax Certificate delivered with respect to the Series 2019 Note. By this reference, all terms, conditions, and covenants in said Tax Certificate are incorporated in and made a part of this Line of Credit Agreement.

F. Additional Debt. Prior to issuance of any additional debt payable from the Pledged Revenues, the Issuer must receive consent from the Lender. Provided however, Lender acknowledges that the Issuer will be receiving a loan from FDEP for the purpose of the solar array project, for which no consent is required.

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

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

B. Authorization of Line of Credit Agreement and Related Documents. The Issuer has the power and has taken all necessary action to authorize the execution and delivery of and the performance by the Issuer of its obligations under, this Line of Credit Agreement and the Series 2019 Note in accordance with their respective terms. This Line of Credit Agreement and the Series 2019 Note have been duly executed and delivered by the Issuer and are valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except to the extent that such enforcement may be limited by laws regarding bankruptcy, insolvency, reorganization or moratorium applicable to the Issuer or by general principles of equity regarding the availability of specific performance.

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

SECTION 12. CONDITIONS PRECEDENT. The obligation of the Lender to make the Loan is subject to the satisfaction of each of the following conditions precedent on or before the Date of Delivery:

A. Action. The Lender shall have received a copy of the Resolution certified as complete and correct as of the closing date, together with an executed Line of Credit Agreement, the executed Series 2019 Note, and the customary closing certificates.

B. Incumbency of Officers. The Lender shall have received an incumbency certificate of the Issuer in respect of each of the officers who are authorized to sign this Line of Credit Agreement, the Series 2019 Note, and the related financing documents on behalf of the Issuer.

C. Opinion of Issuer Attorney. The Lender shall have received a written opinion of the Issuer Attorney as to (1) the valid existence of the Issuer as a municipal corporation of the State; (2) the due adoption of the Resolution; (3) the due authorization and execution of this Line of Credit Agreement and the Series 2019 Note, and the transaction contemplated hereby and thereby; (4) the Line of Credit Agreement and the Series 2019 Note constituting valid and binding obligations of the Issuer, enforceable against the Issuer, in accordance with their respective terms; and (5) the absence of litigation against the Issuer relating to (a) its existence or powers, (b) its authority to issue the Series 2019 Note and pledge the Pledged Revenues, and (c) the procedures governing the authorization and issuance of the Series 2019 Note, in a form and substance satisfactory to the Lender.

D. Certificate of Finance Director. The Lender shall have received a certification from the Finance Director that: (1) since the date of the Financial Statements referred to in Section 11.C. above, there has been no material adverse change in the financial condition, revenues, properties or operations of the Issuer; (2) there are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the Issuer as of the date of such financial information which are not reflected therein; (3) there has been no material adverse change in the financial condition or operations of the Issuer since the date of such Financial Statements (and to the Finance Director's knowledge no such material adverse change is pending or threatened); and (4) the Issuer has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such information.

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

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

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

SECTION 13. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered, delivered by telecopier, mailed by registered or certified mail, postage prepaid, or delivered by courier service to the parties at the following addresses:

Issuer: City of Quincy Florida
404 West Jefferson Street
Quincy, Florida 32351
Attention: Interim City Manager at the same address.

Lender: Capital City Bank
304 East Tennessee Street
Tallahassee, Florida 32301
Attention: Daniel Petronio

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

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

A. Failure by the Issuer to make any payment of principal of or interest on the Series 2019 Note within 5 Business Days of the date due.

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

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

D. The filing of a petition against the Issuer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction,

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

SECTION 13. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered, delivered by telecopier, mailed by registered or certified mail, postage prepaid, or delivered by courier service to the parties at the following addresses:

Issuer: City of Quincy Florida
404 West Jefferson Street
Quincy, Florida 32351
Attention: Interim City Manager at the same address.

Lender: Capital City Bank
304 East Tennessee Street
Tallahassee, Florida 32301
Attention: Daniel Petronio

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

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

A. Failure by the Issuer to make any payment of principal of or interest on the Series 2019 Note within 5 Business Days of the date due.

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

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

D. The filing of a petition against the Issuer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction,

whether now or hereafter in effect, if an order for relief is entered under such petition or such petition is not dismissed within sixty (60) days of such filing.

E. The filing by the Issuer 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 to the filing of any petition against it under such law.

F. The admission by the Issuer 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 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.

SECTION 15. NOTICE OF DEFAULTS. The Issuer shall within five (5) Business Days after it acquires knowledge thereof, notify the Registered Owner of the Series 2019 Note in writing (a) of any change in any material fact or circumstances represented or warranted by the Issuer in this Agreement or in connection with the issuance of the Series 2019 Note, (b) upon the happening, occurrence, or existence of any Event of Default that the Registered Owner is not otherwise aware of, and (c) any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Registered Owner of the Series 2019 Note, with such written notice, a detailed statement by the Authorized Issuer Representative of all the 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 2019 Note, such date shall not in any way modify the date of occurrence of the actual Event of Default.

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

The Issuer and the Lender each waives, to the fullest extent permitted by law, any right to trial by jury in respect of any litigation based upon the Series 2019 Note or arising out of, under or in conjunction with the Series 2019 Note, this Line of Credit Agreement or out of any course of conduct, course of dealing, statements (verbal or written), or actions of the Issuer or the Lender.

SECTION 17. NO PERSONAL LIABILITY. No recourse shall be had for the payment of the principal of and interest on the Series 2019 Note or for any claim based on the Series 2019

Note or on this Line of Credit Agreement, against any present or former member or officer of the City Commission, the City Manager, the Finance Director or any person executing the Series 2019 Note.

SECTION 18. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Line of Credit Agreement, shall be other than a Business Day, then such payment or performance shall be made on the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Line of Credit Agreement, provided that interest on any monetary obligation hereunder shall accrue at the applicable rate to and including the date of such payment.

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

SECTION 20. BINDING EFFECT. To the extent provided herein, this Line of Credit Agreement shall be binding upon the Issuer and the Lender and shall inure to the benefit of the Issuer and the Lender and their respective successors and assigns. This Line of Credit Agreement shall be discharged and neither the Issuer nor the Lender shall have any further obligations hereunder or under the Series 2019 Note when the Issuer shall have paid the principal of and interest on the Series 2019 Note in full and shall have paid in full all other amounts, if any, due under the Series 2019 Note or this Line of Credit Agreement.

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

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

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

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

SECTION 25. ASSIGNMENT. The Lender may assign its rights hereunder to any party to whom it sells or transfers the Series 2019 Note.

[Remainder of page left intentionally blank]

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

CITY COMMISSION OF THE CITY OF QUINCY,
FLORIDA

By: _____
ANGELA G. SAPP, MAYOR

(SEAL)

ATTESTED:

By: _____
SYLVIA HICKS, CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS:

By: _____
SCOTT SHIRLEY, ESQ., CITY ATTORNEY

[Signature page to Line of Credit Agreement]

CAPITAL CITY BANK

By: _____

Name: Daniel Petronio

Title: Assistant Vice President

EXHIBIT A

FORM OF SERIES 2019 NOTE

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

No. R-1

Not to Exceed \$ _____

STATE OF FLORIDA
GADSDEN COUNTY
CITY OF QUINCY
UTILITY SYSTEM SUBORDINATE REVENUE NOTE, SERIES 2019

INTEREST RATE _____ MATURITY DATE _____ DATE OF ISSUE
_____% _____, 2019

REGISTERED OWNER:

PRINCIPAL AMOUNT: Not to Exceed _____

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

This Note is being issued in the not to exceed aggregate principal amount \$ _____ to pay the costs of the Project under the authority of and in full compliance

with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. _____, duly adopted by the City Commission on _____, 2019 (the "Resolution"), and pursuant to a Line of Credit Agreement between the Issuer and the Registered Owner, dated ___, 2019 (the "Line of Credit Agreement"), to which reference should be made to ascertain those terms and conditions. The terms and provisions of the Line of Credit Agreement and the Resolution, including without limitation, the definitions therein, are hereby incorporated as a part of this Note. The principal of this Note shall be disbursed by the Registered Owner hereof to the Issuer in one or more Advances in accordance with the Line of Credit Agreement. Upon request by the Issuer to the Registered Owner, the Issuer may pay an amount to reduce the principal amount outstanding at anytime without penalty.

This Note is payable from and secured solely by the Pledged Revenues, as defined in and in the manner provided in, and subject to the terms and conditions of, the Resolution and the Line of Credit Agreement. This Note shall not constitute a general obligation or indebtedness of the Issuer, but shall be a limited obligation of the Issuer payable solely from the Pledged Revenues as provided in the Line of Credit Agreement. The Registered Owner hereof shall never have the right to compel the levy of taxes upon any property of or in the Issuer for the payment of the principal of and interest on this Note. Reference is made to the Line of Credit Agreement for the provisions relating to the security for payment of this Note and the duties and obligations of the 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 Line of Credit Agreement, and to enforce and compel the performance of all duties required by the Line of Credit Agreement or by any applicable laws to be performed by the Issuer, the City Commission or by any officer thereof, and may take all steps to enforce the Line of Credit Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America.

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

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

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the CITY OF QUINCY, Florida, has caused this Note to be executed by the Mayor and attested by the City Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue above.

CITY COMMISSION OF THE CITY OF
QUINCY, FLORIDA

By: _____
ANGELA G. SAPP, MAYOR

(SEAL)

ATTESTED:

By: _____
SYLVIA HICKS, CITY CLERK

CERTIFICATE OF AUTHENTICATION

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

City Clerk of the
City of Quincy, Florida,
as Authenticating Agent

Date of Authentication:

____, 2019

By: _____
Authorized Officer

ASSIGNMENT AND TRANSFER

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

Date:

Signature Guaranteed by

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

By: _____
Title:

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

EXHIBIT B

FORM OF LENDER'S CERTIFICATE

This is to certify that Capital City Bank, or its assignee (the "Lender") has not required the City of Quincy, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance by the Issuer of its not to exceed \$3,000,000 Utility System Subordinate Revenue Note, Series 2019 (the "Series 2019 Note"), and no inference should be drawn that the Lender, in the acceptance of said Series 2019 Note, is relying on Bond Counsel or the City Attorney as to any such matters other than the legal opinions rendered by Bond Counsel and by the City Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. _____ adopted by the City Commission of the Issuer on _____, 2019 (the "Resolution").

We are aware that investment in the Series 2019 Note involves various risks, that the Series 2019 Note is not a general obligation of the Issuer or payable from ad valorem tax revenues, and that the payment of the Series 2019 Note is secured solely from the sources described in the Line of Credit Agreement (the "Pledged Revenues").

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

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 2019 Note and can bear the economic risk of our investment in the Series 2019 Note.

We acknowledge and understand that the Issuer has determined that the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and that the Series 2019 Note is not required to be registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Bond Counsel nor the City Attorney shall have any obligation to effect any such registration or qualification.

The Series 2019 Note has been purchased for the account of the Lender for investment purposes only and not with a present view to the distribution, transfer or resale thereof. The Lender intends to hold and book the Series 2019 Note as a loan in its loan portfolio; the Lender acknowledges that the use of the word "note" in the name of the debt instrument is not intended to indicate that the instrument is or is not a security within the meaning of the Securities Act of 1933. The Lender currently intends to hold such Series 2019 Note for its own account and for an

indefinite period of time and does not currently intend to dispose of all or any portion of such Series 2019 Note. The Lender hereby covenants that if the Lender subsequently decides to distribute or resell the Series 2019 Note, it shall comply in all respects with all laws then applicable with respect to any such distribution or resale. We understand that the Series 2019 Note may not be transferred in a denomination less than the par amount outstanding at the time of transfer.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Series 2019 Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

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

DATED this ___ of _____, 2019.

CAPITAL CITY BANK

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF DISCLOSURE LETTER

The undersigned, as Lender, proposes to negotiate with the City of Quincy, Florida (the "Issuer") for the private purchase of its not to exceed \$3,000,000 Utility System Subordinate Revenue Note, Series 2019 ("Series 2019 Note"). Prior to the award of the Series 2019 Note, 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 2019 Note (such fees and expenses to be paid by the Issuer):

\$4,000

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 2019 Note to any person not regularly employed or retained by the Lender (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Lender, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Lender, or to the knowledge of the Lender, with the 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 2019 Note.

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

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

5. Truth-in-Bonding Statement:

The Series 2019 Note is being issued primarily to pay the costs of financing the Project.

Unless earlier prepaid, the Series 2019 Note is expected to be repaid by _____, 20__;
at an assumed interest rate of ____%, total interest paid over the life of the Series 2019 Note is
estimated to be \$_____.

The Series 2019 Note will be payable solely from the Pledged Revenues in the manner and
to the extent described in Resolution No. _____ of the Issuer adopted on _____, 2019
(the "Resolution"). See the Resolution for a definition of Pledged Revenues. Issuance of the Series
2019 Note is estimated to result in an annual maximum of approximately \$_____ of
revenues of the Issuer not being available to finance the services of the Issuer during the life of
the Series 2019 Note. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

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

Capital City Bank
304 East Tennessee Street
Tallahassee, Florida 32301

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf
of the Lender this ___ day of _____, 2019.

CAPITAL CITY BANK

By: _____
Name: _____
Title: _____

NOT TO EXCEED \$3,000,000
CITY OF QUINCY, FLORIDA
UTILITY SYSTEM SUBORDINATE REVENUE NOTE, SERIES 2019

January 10, 2019

CLOSING DOCUMENTS

1. Opinion of Bryant Miller Olive P.A., Bond Counsel
2. Opinion of Scott Shirley, Esq., Issuer's Counsel
3. Tax Certificate
4. Line of Credit Agreement
5. Certificate of Delivery
6. Receipt for Note
7. Certificate as to Public Meetings and No Conflict of Interest
8.
 - (a) Certificate of Issuer
 - (b) Certificate of Finance Director
9.
 - (a) Resolution No. 1132 adopted by the City Commission on December 9, 2003
 - (b) Resolution No. _____ adopted on January 8, 2019, authorizing the Series 2019 Note
10. Disclosure Letter
11. Lender's Certificate
12. Specimen Note
13. IRS Form 8038-G
14. Notice of Sale to Division of Bond Finance
15. Bond Finance Forms 2003 and 2004-B
16. Certificate re: Interest Rate

17. Commitment Letter
18. Closing Memorandum

Distribution

- (1) City of Quincy, Florida
- (1) Scott Shirley, Esq.
- (1) Bryant Miller Olive P.A.
- (1) Capital City Bank
- (1) Nabors, Giblin & Nickerson P.A.

Attorneys at Law
SunTrust International Center
1 SE 3rd Avenue
Suite 2200
Miami, FL 33131
Tel 305.374.7349
Fax 305.374.0895

January 10, 2019

City Commission
City of Quincy
Quincy, Florida

Capital City Bank
Tallahassee, Florida

Not to Exceed \$3,000,000
City of Quincy, Florida
Utility System Subordinate Revenue Note, Series 2019

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Quincy, Florida (the "Issuer") in connection with the issuance by the Issuer of its not to exceed \$3,000,000 City of Quincy, Florida Utility System Subordinate Revenue Note, Series 2019 (the "Series 2019 Note"), pursuant to and under the authority of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, and other applicable provisions of law and Resolution No. 1132 adopted by the City Commission of the Issuer on December 9, 2003 (the "Senior Lien Resolution"), as supplemented by Resolution No. _____ adopted on January 8, 2019 (the "Subordinate Resolution" together with the Senior Lien Resolution, the "Bond Resolution") and the Line of Credit Agreement dated January 10, 2019 between the Issuer and Capital City Bank (the "Line of Credit Agreement"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Bond Resolution and the Line of Credit Agreement.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Subordinate Resolution and the Line of Credit Agreement and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and

*City Commission
City of Quincy
Capital City Bank
January 10, 2019
Page 2*

instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Scott Shirley, Esq., Counsel to the Issuer, as to the due creation and valid existence of the Issuer, the due adoption of the Bond Resolution, the due execution and delivery of the Series 2019 Note and the Line of Credit Agreement and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the Series 2019 Note.

The Series 2019 Note is payable from the Pledged Revenues, which consist primarily of the Net Revenues, all as provided in the Line of Credit Agreement. The Pledged Revenues on the Series 2019 Note are subordinate to the Senior Lien Bonds, as described in the Line of Credit Agreement.

The Series 2019 Note does not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Series 2019 Note.

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

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

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

2. The Series 2019 Note is a valid and binding limited obligation of the Issuer enforceable in accordance with its terms, payable solely from the Pledged Revenues, in the manner and to the extent provided in the Line of Credit Agreement. The Pledged Revenues on the Series 2019 Note are subordinate to the Senior Line Bonds, as described in the Line of Credit Agreement.

3. The Line of Credit Agreement creates a valid lien upon the Pledged Revenues for the security of the Series 2019 Note, all in the manner and to the extent provided in the Line of Credit Agreement.

4. Interest on the Series 2019 Note is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative

minimum tax. However, interest on the Series 2019 Note will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. The opinion set forth in the preceding sentences is subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Series 2019 Note in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Line of Credit Agreement to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2019 Note to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2019 Note.

5. The Series 2019 Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

We render this opinion in reliance upon federal tax law and interpretations thereof in effect on the date of the issuance of the Series 2019 Note. We note that pursuant to Internal Revenue Service Notice 2010-81, each Advance is a draw of principal on the Series 2019 Note and is therefore treated as a separate bond, issued on the date on which the Issuer receives the purchase price (the proceeds of such Advance). Accordingly, the treatment for federal income tax purposes of interest on such Advances of principal of the Series 2019 Note after the date hereof may be subject to changes in federal income tax law. We specifically express no opinion as to the impact of changes in federal income tax law on the exclusion from gross income of interest on Advances of principal of the Series 2019 Note after the date hereof and assume no duty to update this opinion or provide notice of changes in federal tax law or the impact thereof on the opinions rendered thereby.

It is to be understood that the rights of the owner of the Series 2019 Note and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of any offering material, if any, relating to the Series 2019 Note. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series

*City Commission
City of Quincy
Capital City Bank
January 10, 2019
Page 4*

2019 Note. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or Capital City Bank, as the purchaser of the Series 2019 Note, with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2019 Note or regarding the perfection or priority of the lien, except as provided in paragraph 3 with respect to the subordinate status of the Series 2019 Note on the Pledged Revenues created by the Resolution. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2019 Note other than as expressly set forth herein.

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

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

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

LAW OFFICES
of
ARD, SHIRLEY & RUDOLPH, P. A.
Post Office Box 1874
207 West Park Avenue
Suite B
Tallahassee, Florida 32302-1874
Phone: 850-577-6500
Facsimile: 850-577-6512

January 10, 2019

City Commission
City of Quincy
Quincy, Florida

Capital City Bank
Tallahassee, Florida

Bryant Miller Olive P.A.
Miami, Florida

Not to Exceed \$3,000,000
City of Quincy, Florida
Utility System Subordinate Revenue Note, Series 2019

Ladies and Gentlemen:

I have acted as counsel to the City of Quincy, Florida (the "Issuer"), in connection with the authorization, sale and delivery of its not to exceed \$3,000,000 City of Quincy, Florida Utility System Subordinate Revenue Note, Series 2019 (the "Series 2019 Note") and the Line of Credit Agreement between the Issuer and Capital City Bank (the "Line of Credit Agreement"), each dated January 10, 2019, authorized and secured by Resolution No. 1132 adopted by the City Commission of the Issuer on December 9, 2003 (the "Senior Lien Resolution"), as supplemented by Resolution No. _____ adopted on January 8, 2019 (the "Subordinate Resolution" together with the Senior Lien Resolution, the "Bond Resolution").

In my opinion:

1. The Issuer is a municipal corporation of the State of Florida, duly created and validly existing and has full legal right, power, and authority to adopt and perform its obligations under the Bond Resolution, and to authorize, execute, and deliver and to perform its obligations under the Series 2019 Note and the Line of Credit Agreement.

2. The Issuer has duly adopted the Bond Resolution and has duly authorized, executed and delivered the Series 2019 Note and the Line of Credit Agreement. The Series 2019 Note, the Bond Resolution and the Line of Credit Agreement each constitute legal, binding and valid obligations of the Issuer, enforceable in accordance with their respective terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

3. To the best of my knowledge, information and belief, the adoption of the Bond Resolution, and the authorization, execution and delivery of the Series 2019 Note and the Line of Credit Agreement and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, any law, administrative regulation, consent decree, ordinance, resolution or any agreement or other instrument to which the Issuer was or is subject, as the case may be, nor will such enactment, adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge of other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Bond Resolution and the Line of Credit Agreement.

4. To the best of my knowledge information and belief, all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the issuance of the Series 2019 Note or to the performance by the Issuer of its obligations under the Bond Resolution and the Line of Credit Agreement have been obtained and are in full force and effect and the Issuer has complied with all conditions precedent to the issuance of the Series 2019 Note contained in resolutions and ordinances of the Issuer.

5. The Issuer is lawfully empowered to pledge the Pledged Revenues (as defined in the Line of Credit Agreement) for payment of the principal of and interest on the Series 2019 Note, in the manner and to the extent provided in the Line of Credit Agreement.

6. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or to the best of my knowledge threatened against the Issuer, affecting or seeking to prohibit, restrain or enjoin the sale, issuance, delivery of the Series 2019 Note or the Line of Credit Agreement, the Bond Resolution or the pledge of the Pledged Revenues without limitation, or contesting or affecting the validity or enforceability in any respect of the Series 2019 Note or the Line of Credit Agreement, the Bond Resolution or contesting the exclusion from gross income of interest on the Series 2019 Note, or

*City Commission
City of Quincy
Capital City Bank
Bryant Miller Olive P.A.
January 10, 2019
Page 3 of 3*

contesting the powers of the Issuer and the City Commission or any authority for the issuance of the Series 2019 Note or the Line of Credit Agreement, and the adoption of the Bond Resolution.

I am an attorney admitted to practice law in the State of Florida and express no opinion as to the laws of any other state. The foregoing opinions are subject to the effect of, and restrictions and limitations imposed by or resulting from bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America.

My opinions expressed herein are predicated upon present law, facts and circumstances, and I assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof. Addressing this opinion to a non-client does not create an attorney client relationship.

Very truly yours,

Scott Shirley
City Attorney
City of Quincy, Florida

LINE OF CREDIT AGREEMENT

by and between

CITY OF QUINCY, FLORIDA

and

CAPITAL CITY BANK

Dated January 10, 2019

relating to

Not to Exceed \$3,000,000
CITY OF QUINCY, FLORIDA
UTILITY SYSTEM SUBORDINATE REVENUE NOTE, SERIES 2019

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. DEFINITIONS.....	1
SECTION 2. INTERPRETATION.....	8
SECTION 3. THE LOAN.....	8
SECTION 4. DESCRIPTION OF SERIES 2019 NOTE.....	8
SECTION 5. EXECUTION OF SERIES 2019 NOTE.....	9
SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2019 NOTE.....	9
SECTION 7. SERIES 2019 NOTE MUTILATED, DESTROYED, STOLEN OR LOST.....	10
SECTION 8. FORM OF SERIES 2019 NOTE.....	11
SECTION 9. SECURITY FOR SERIES 2019 NOTE; SERIES 2019 NOTE NOT DEBT OF THE ISSUER.....	11
SECTION 10. COVENANTS OF THE ISSUER.....	11
SECTION 11. REPRESENTATIONS AND WARRANTIES.....	12
SECTION 12. CONDITIONS PRECEDENT.....	13
SECTION 13. NOTICES.....	14
SECTION 14. EVENTS OF DEFAULT DEFINED.....	14
SECTION 15. NOTICE OF DEFAULTS.....	15
SECTION 16. REMEDIES.....	15
SECTION 17. NO PERSONAL LIABILITY.....	15
SECTION 18. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS.....	16
SECTION 19. AMENDMENTS, CHANGES AND MODIFICATIONS.....	16
SECTION 20. BINDING EFFECT.....	16
SECTION 21. SEVERABILITY.....	16
SECTION 22. EXECUTION IN COUNTERPARTS.....	16
SECTION 23. APPLICABLE LAW.....	16
SECTION 24. VENUE.....	16
SECTION 25. ASSIGNMENT.....	16
EXHIBIT A - FORM OF SERIES 2019 NOTE	

LINE OF CREDIT AGREEMENT

This **LINE OF CREDIT AGREEMENT** is made and entered into as of January 10, 2019 by and between the **CITY OF QUINCY, FLORIDA** (the "Issuer"), and **CAPITAL CITY BANK**, a state banking corporation (together with its successors and/or assigns, the "Lender").

WITNESSETH:

WHEREAS, the Issuer has previously determined that it is necessary for the health, safety and welfare of the Issuer and in the best interest of its inhabitants to construct the Project (as hereinafter defined). Issuance of the Series 2019 Note (as hereinafter defined) satisfies an essential public purpose.

WHEREAS, the Issuer received a proposal from the Lender and the Lender has agreed to make a not to exceed \$3,000,000 line of credit available to the Issuer; and

WHEREAS, pursuant to the Resolution, the Issuer has determined that it is in the best interest of the health, safety and welfare of the Issuer and the inhabitants thereof that the Issuer pledge the Pledged Revenues to secure the obligations of the Issuer to repay the principal of and interest on the Series 2019 Note when due; and

WHEREAS, the obligation of the Issuer to repay principal of and interest on the Series 2019 Note will not constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of any provision of the Constitution or laws of the State, but shall be and is hereby declared to be a special, limited obligation of the Issuer, secured solely by the Pledged Revenues; and

WHEREAS, the Issuer is not authorized to levy ad valorem taxes on any property of or in the Issuer to pay the principal of or interest on the Series 2019 Note or to make any other payments provided for herein.

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

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

"Act" means Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law.

"Additional Bonds" means additional obligations, issued in compliance with the Senior Lien Resolution which will have an equal lien on the Net Revenues and ranking equally in all other respects with the Senior Lien Bonds issued under the Senior Lien Resolution.

"Advance" means deposit by wire transfer or credit from the Lender to/for the account of the Issuer of a portion of the Loan by Lender to the Issuer.

"Authorized Issuer Representative" means the Interim City Manager or his/her designee.

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

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

"Bond Resolution" means collectively, the Senior Lien Resolution and the Subordinate Resolution.

"Bonds" means the Senior Lien Bonds and any Additional Bonds.

"Business Day" means any day except any Saturday or Sunday or day on which the Lender or the Issuer are lawfully closed for business.

"City Clerk" means the City Clerk or, in the City Clerk's absence, any Deputy City Clerk duly authorized to execute documents or take other action, as the case may be, on the City Clerk's behalf.

"City Commission" means the City Commission of the City of Quincy, Florida, as the governing body of the Issuer.

"City Manager" means the Interim City Manager, as the chief operating officer of the City.

"Code" means the Internal Revenue Code of 1986, as amended.

"Cost of Operation and Maintenance" means the current expenses, paid or accrued, of operation, maintenance and repair of the System and its facilities, as calculated in accordance with generally accepted accounting principles in the United States for governmental entities, consistently applied, and shall include, without limiting the generality of the foregoing, administrative expenses relating to the System, purchase of water or of wastewater (sewer)

treatment services, the purchase, generation, transmission and distribution of electric power, the purchase, transmission and distribution of gas and/or the provision of fiber optic capacity or capabilities (if the same may be treated as an operating cost under generally accepted accounting principles in the United States) and insurance premiums, the Operating Component of Cost for Contracted Services and charges for the accumulation of appropriate reserves for self-insurance, not annually recurrent but which are reasonably expected to be incurred on a periodic basis in accordance with generally accepted accounting principles in the United States, consistently applied and payment of the Rebate Amount. The Cost of Operation and Maintenance shall not include (i) any reserve for renewals and replacements, extraordinary repairs or any allowance for depreciation or amortization, (ii) the payment of any principal of and interest on the Bonds and any other notes, bonds and similar obligations of the City, and (iii) payments made by the City under leases that are capitalized in accordance with generally accepted accounting principles in the United States.

“Date of Delivery” means January 10, 2019.

“Default” means an Event of Default as defined and described in Section 14 hereof.

“Determination of Taxability” shall mean, with respect to the Series 2019 Note, (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Series 2019 Note is includable for federal income tax purposes in the gross income of the Lender, which notice or notification is not successfully contested by either the Issuer or the Lender, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Series 2019 Note is includable for federal income tax purposes in the gross income of the Lender, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the Series 2019 Note is determined not to be a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (as hereinafter defined), or (iv) the admission in writing by the Issuer to the effect that interest on the Series 2019 Note includable for federal income tax purposes in the gross income of the Lender.

“Fiber Optic Revenues” means all rates, fees, charges (other than Connection Charges), income, rents, receipts and earnings derived by the Issuer from or attributable to the ownership, operation, leasing or use of the Fiber Optic System, or the Issuer’s existing “dial up” internet service systems, or any part thereof, including, without limitation, special assessments related to improvements to the Fiber Optic System but only to the extent specifically designated by the City Commission to be included in Gross Revenues for the purposes of the Senior Lien Resolution and the proceeds of any insurance covering business interruption loss related to the Fiber Optic System.

“Fiber Optic System” means the complete system for the provision of high-speed, advanced telecommunications services to residents and businesses within or outside of the Issuer, and all parts and components thereof or interests therein, owned, operated, used or controlled by the Issuer and any leasehold or other interest in any other fiber optic facilities

which the Issuer owns or acquires, and all such parts and components of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Senior Lien Resolution or from any other sources, together with all land and interests therein, plants, buildings, machinery, franchises, lines, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the Issuer in connection therewith and any joint venture or ownership or other interest in any fiber optic facility.

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

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

“Gas Revenues” means all rates, fees, charges, income, rents, receipts and earnings derived by the Issuer from or attributable to the ownership, operation, leasing or use of the Gas System (other than Connection Charges), or any part thereof, including, without limitation, special assessments related to improvements to the Gas System but only to the extent specifically designated by the City Commission to be included in Gross Revenues for the purposes of the Senior Lien Resolution, and the proceeds of any insurance covering business interruption loss related to the Gas System.

“Gas System” means the complete gas transmission and distribution system and all parts and components thereof or interests therein, owned, operated, used or controlled by the Issuer and any leasehold or other interest in any gas transmission or distribution plants or facilities which the Issuer owns or acquires, and all such parts and components of any of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Senior Lien Resolution or from any other sources, together with all land and interests therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the Issuer in connection therewith and any joint venture or ownership or other interest in any gas transmission or distribution plant or facility or any right to use capacity or receive the output or services of any such plant or facility.

“Grant Proceeds” means the reimbursement proceeds received by the Issuer from any federal or state governmental agencies related to Hurricane Michael, including but not limited to, the Federal Emergency Management Agency, the Florida Division of Emergency Management and the State of Florida.

“Gross Revenues” means the Electric Revenues, the Water Revenues, the Sewer Revenues, the Gas Revenues, the Fiber Optic Revenues and any income from the investment of funds to be deposited in the Revenue Funds, or any of the accounts therein as herein provided, moneys deposited from the Rate Stabilization Fund to the Revenue Funds in accordance with the terms of the Senior Lien Resolution, but shall not include (i) proceeds from the sale of any Bonds

or other obligations of the Issuer, (ii) Connection Charges, (iii) moneys received by the Issuer from federal, state or local governmental grants or stipends that by their terms are restricted from being used in the manner that Revenues are to be applied under the Senior Lien Resolution, (iv) refundable customer deposits held by the Issuer (until such time as such deposits are properly includable as revenues based on customary practices of the Issuer), or (v) in any Fiscal Year, moneys deposited from the Revenue Funds into the Rate Stabilization Fund. Notwithstanding the foregoing, transfers to the Revenue Funds from the Rate Stabilization Fund and the Renewal and Replacement Fund shall not be deemed "Gross Revenues" for purposes of calculating compliance with the Rate Covenant or the Additional Bonds Test.

"Interest Rate" means a tax-exempt fixed per annum interest rate equal to 3.59%.

"Issuer" means the City of Quincy, Florida.

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

"Line of Credit Agreement" means this agreement between the Lender and the Issuer setting forth the terms and details of the Loan.

"Loan" means the advance of moneys from the Lender to the Issuer pursuant to this Line of Credit Agreement.

"Maturity Date" means January 10, 2022.

"Net Revenues" with respect to any Fiscal Year shall be the remainder of the Gross Revenues, after deducting the Cost of Operation and Maintenance for such Fiscal Year, to the extent not released from the pledge contemplated in the Senior Lien Resolution.

"Paying Agent" means the Finance Director.

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

"Pledged Revenues" means the Net Revenues.

"Principal Balance" means the amount of principal outstanding under the Series 2019 Note at any time which amount shall equal the sum of all Advances less any prepayments of principal.

"Project" means the clean-up and reconstructive efforts related to the aftermath of Hurricane Michael, including but not limited to, the costs associated with the repairs of the Issuer's fiber network and the payment of utility crews.

"Register" means the books maintained by the Registrar in which are recorded the name and address of the Registered Owner of the Series 2019 Note.

"Registered Owner" means the person in whose name the ownership of the Series 2019 Note is registered on the books maintained by the Registrar. The initial Registered Owner shall be the Lender.

"Registrar" means the Person maintaining the Register. The Registrar shall initially be the City Clerk.

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

"Revenues" means (a) except to the extent hereinafter excluded, all income earned by the City Commission from the operation and use of and for the services furnished or to be furnished by the Project and properties financed by Senior Lien Bonds, (b) income received by the City Commission under any agreement to manage or operate facilities on behalf of any person, and (c) any proceeds of business interruption insurance. There shall not be included in Revenues (i) any grants, contributions or donations; (ii) income from the operation of any facilities for so long as such facilities are not part of the Project; (iii) any proceeds of insurance other than as mentioned above; and (iv) the proceeds of any borrowing.

"Senior Lien Bonds" mean the Issuer's remaining outstanding \$8,890,000 Utility System Improvement Refunding and Revenue Bonds, Series 2003; \$6,000,000 Utility System Revenue Bonds, Series 2011; State Revolving Loan Fund Loan Project #DW2006010 outstanding in the amount of \$3,030,250.40; State Revolving Loan Fund Loan Project #CS1206107P outstanding in the amount of \$431,230.55; State Revolving Loan Fund Loan Project #200100 outstanding in the amount of \$383,438.22; State Revolving Loan Fund Loan Project #641090 outstanding in the amount of \$288,105.01.

"Senior Lien Resolution" means Resolution No. 1132 adopted by the City Commission on December 9, 2003, as amended and supplemented from time to time.

"Series 2019 Note" means the Utility System Subordinate Revenue Note, Series 2019, of the Issuer, substantially in the form attached hereto as Exhibit A.

"Sewer Revenues" means all rates, fees, charges, income, rents, receipts and earnings derived by the Issuer from or attributable to the ownership, operation, leasing or use of the Sewer System (other than Connection Charges), or any part thereof, including, without limitation, special assessments related to improvements to the Sewer System but only to the extent specifically designated by the City Commission to be included in Gross Revenues for the purposes of the Senior Lien Resolution, and the proceeds of any insurance covering business interruption loss related to the Sewer System.

"Sewer System" means the complete wastewater (sewer) collection, treatment, disposal and distribution system and system for reuse of reclaimed water and all parts and components

thereof or interests therein, owned, operated, used or controlled by the Issuer and any leasehold or other interest in any other wastewater (sewer) plants or facilities which the Issuer owns or acquires, and all such parts and components of any of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Senior Lien Resolution or from any other sources, together with all land and interests therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the Issuer in connection therewith and any joint venture or ownership or other interest in any sewer or wastewater plant or facility or any right to use capacity or receive the output or services of any sewer or wastewater plant or facility. The Sewer System does not include any facilities for the disposal of stormwater.

“State” means the State of Florida.

“Subordinate Resolution” means Resolution No. _____ adopted by the Issuer on January 8, 2019, as may be amended and supplemented from time to time.

“System” means the Sewer System, the Water System, the Electric System, the Gas System and the Fiber Optic System.

“Taxable Rate” shall mean a rate equal to [4.54]% upon and following a Determination of Taxability.

“Water Revenues” means all rates, fees, charges, income, rents, receipts and earnings derived by the Issuer from or attributable to the ownership, operation, leasing or use of the Water System (other than Connection Charges), or any part thereof, including, without limitation, special assessments related to improvements to the System but only to the extent specifically designated by the City Commission to be included in Gross Revenues for the purposes of the Senior Lien Resolution and the proceeds of any insurance covering business interruption loss related to the Water System.

“Water System” means the complete system for the treatment, storage and distribution of potable water and all parts and components thereof or interests therein, owned, operated, used or controlled by the Issuer and any leasehold or other interest in any other water plants or facilities which the Issuer owns or acquires, and all such parts and components of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Senior Lien Resolution or from any other sources, together with all land and interests therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the Issuer in connection therewith and any joint venture or ownership or other interest in any water plant or facility or any right to use capacity or receive the output or services of any water plant or facility.

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

SECTION 3. THE LOAN.

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

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

SECTION 4. DESCRIPTION OF SERIES 2019 NOTE. The obligation of the Issuer to repay the Loan shall be evidenced by the Series 2019 Note. The Series 2019 Note shall be dated as of the Date of Delivery; shall mature on the Maturity Date; and shall be in registered form.

A. Amount of Series 2019 Note. The Principal Balance of the Series 2019 Note shall be equal to the aggregate amount of all Advances requested by the Issuer and disbursed by the Lender less the amounts of principal prepaid by the Issuer to the Lender, provided however, that the aggregate principal amount outstanding at any time shall not exceed Three Million Dollars (\$3,000,000).

B. Interest Rate. Interest on the Series 2019 Note shall equal the Interest Rate and shall be calculated using a 360-day year for the actual number of days elapsed. In the event a Determination of Taxability due to the actions or inactions of the Issuer shall have occurred, the interest rate on the Series 2019 Note shall be increased to the Taxable Rate, effective retroactively to the date on which the interest payable on the Series 2019 Note is includable for federal income tax purposes in the gross income of the Lender.

C. Payments. Interest on the Series 2019 Note shall be paid semi-annually in arrears on June 1 and December 1, commencing June 1, 2019 until the Maturity Date. Principal shall be paid on the Maturity Date. Additional principal prepayments shall be made as required by Section 10.B hereof and authorized by Section 4.E hereof.

D. Advances under the Series 2019 Note. The Series 2019 Note may be drawn upon at anytime for a period of six (6) months from the Date of Delivery. The initial Advance shall be in a minimum amount of \$750,000. Each Advance constitutes a representation by the Issuer that it remains in full compliance with the terms of this Line of Credit Agreement, that no Determination of Taxability has occurred, that no Event of Default currently exists and that no Event of Default, that has not been cured within any applicable grace and notice period, would exist with the passage of time or the giving of notice.

The Lender shall not be required to make any further Advances if an Event of Default has occurred and is continuing or if a Determination of Taxability, as defined in the Series 2019 Note, has occurred.

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

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

G. Subordinate Debt. The Series 2019 Note is hereby designated as Subordinate Debt pursuant to, and as described in, the Senior Lien Resolution.

SECTION 5. EXECUTION OF SERIES 2019 NOTE. The Series 2019 Note shall be executed in the name of the Issuer by the Mayor and attested by the City Clerk, and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Series 2019 Note may be signed and sealed on behalf of the Issuer by any person who at the actual time of the execution of the Series 2019 Note shall hold the appropriate office in the Issuer, although at the date thereof the person may not have been so authorized. The Series 2019 Note may be executed by the facsimile signatures of the Mayor and/or City Clerk, provided that at least one of the foregoing signatures must be a manual signature.

SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2019 NOTE. The Series 2019 Note shall be and shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and each Registered Owner, in accepting the Series 2019 Note, shall be conclusively deemed to have agreed that such Series 2019 Note shall be and have all of the qualities and incidents of negotiable instruments thereunder.

There shall be a Registrar who shall be responsible for maintaining the Register. The person in whose name ownership of a Series 2019 Note 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 2019 Note for all purposes, whether or not the Series 2019 Note shall be overdue, and any notice to the contrary shall not be binding upon the Issuer or the Registrar.

Ownership of the Series 2019 Note may be transferred or assigned only upon the Register. Upon surrender to the Registrar for transfer or exchange of the Series 2019 Note accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Registered Owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the Registered Owner or the transferee or transferees, as the case may be, a new fully registered Series 2019 Note of the same amount, maturity and interest rate as

the Series 2019 Note surrendered. Provided however, any assignment or transfer by the Registered Owner of the Series 2019 Note shall be in whole and not in part.

The Series 2019 Note 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 Issuer Attorney, Bond Counsel, or the Registrar, duly executed by the Registered Owner or by his duly authorized attorney.

The City Manager and the Registrar may charge the Registered Owner a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer after the first such exchange or transfer following the delivery of such Series 2019 Note. The Registrar or the Interim City Manager may also require payment from the Registered Owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto by a governmental entity other than the Issuer. Such charges and expenses shall be paid before any such new Series 2019 Note shall be delivered.

The new Series 2019 Note delivered upon any transfer or exchange shall be a valid obligation of the Issuer, evidencing the same debt as the Series 2019 Note surrendered, shall be secured under this Line of Credit Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2019 Note surrendered.

Whenever a Series 2019 Note shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Series 2019 Note 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 7. SERIES 2019 NOTE MUTILATED, DESTROYED, STOLEN OR LOST.
In case the Series 2019 Note shall be mutilated, or be destroyed, stolen or lost, upon the Registered Owner furnishing the Registrar satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur, the Registrar shall issue and deliver a new Series 2019 Note of like tenor as the Series 2019 Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Series 2019 Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Series 2019 Note, upon surrender of such mutilated Series 2019 Note, if any, to the Registrar and the cancellation thereof; provided however, if the Series 2019 Note shall have matured or be about to mature, instead of issuing a substitute Series 2019 Note, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Series 2019 Note be lost, stolen or destroyed, without surrender thereof. Any Series 2019 Note surrendered under the terms of this Section 7 shall be cancelled by the Registrar.

Any such new Series 2019 Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the Issuer whether or not, as to the new Series 2019 Note, the lost, stolen or destroyed Series 2019 Note be at any time found by anyone,

and such new Series 2019 Note shall be entitled to equal and proportionate benefits and rights as to security for payment to the same extent as the Series 2019 Note originally issued hereunder.

SECTION 8. FORM OF SERIES 2019 NOTE. The Series 2019 Note shall be in substantially the form attached hereto as Exhibit A, with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Line of Credit Agreement.

SECTION 9. SECURITY FOR SERIES 2019 NOTE; SERIES 2019 NOTE NOT DEBT OF THE ISSUER. The payment of the principal of and interest on the Series 2019 Note shall be secured forthwith solely by a lien upon and pledge of the Pledged Revenues. The principal of and interest on the Series 2019 Note shall not constitute a general obligation or indebtedness of the Issuer, but shall be a limited obligation of the Issuer payable solely from the Pledged Revenues as provided herein. The Registered Owner shall never have the right to compel the levy of ad valorem taxes upon any property of or in the Issuer for the payment of the principal of and interest on the Series 2019 Note.

The Series 2019 Note is junior and subordinate in all respects to the Senior Lien Bonds as to lien on, and source of and security for payment from the Net Revenues.

SECTION 10. COVENANTS OF THE ISSUER. Until the principal of and interest on the Series 2019 Note shall have been paid in full or provision for payment of the Series 2019 Note shall have been made in accordance with the provisions of this Line of Credit Agreement, the Issuer covenants with the Registered Owner of the Series 2019 Note as follows:

A. Payments. The Issuer will punctually pay all principal of and interest on the Series 2019 Note when due by wire transfer or other medium acceptable to the Issuer and the Lender, as provided by Section 4 hereof.

B. Reimbursements. The Issuer covenants that it will pay to the Lender to be utilized to prepay principal on the Series 2019 Note all proceeds of reimbursements from the Grant Proceeds received in connection with the Project promptly upon receipt thereof.

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

D. Annual Budget and Other Information. The Issuer will prepare its annual budget in accordance with the Act, and will provide to the Lender a copy of its final annual budget for each Fiscal Year within 30 days of adoption thereof by the City Commission, and the Issuer will provide the Lender such other financial or public information as the Lender may reasonably request.

E. Tax Compliance. 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 2019 Note at any time during the term of the Series 2019 Note which would cause the Series 2019 Note to be (a) a "private activity bond" within the meaning of Section 103(b)(1) of the Code or (b) an "arbitrage bond" within the meaning of Section 103(b)(2) of the Code. The Issuer covenants throughout the term of the Series 2019 Note to comply with the requirements of the Code and the Regulations, as amended from time to time, and to take all actions, and to not permit the omission of any actions, necessary to maintain the exclusion from gross income for purposes of the Code of interest on the Series 2019 Note, including without limitation, the payment of arbitrage rebate, if required.

The Issuer makes each of the representations, warranties and covenants contained in the Tax Certificate delivered with respect to the Series 2019 Note. By this reference, all terms, conditions, and covenants in said Tax Certificate are incorporated in and made a part of this Line of Credit Agreement.

F. Additional Debt. Prior to issuance of any additional debt payable from the Pledged Revenues, the Issuer must receive consent from the Lender. Provided however, Lender acknowledges that the Issuer will be receiving a loan from FDEP for the purpose of the solar array project, for which no consent is required.

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

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

B. Authorization of Line of Credit Agreement and Related Documents. The Issuer has the power and has taken all necessary action to authorize the execution and delivery of and the performance by the Issuer of its obligations under, this Line of Credit Agreement and the Series 2019 Note in accordance with their respective terms. This Line of Credit Agreement and the Series 2019 Note have been duly executed and delivered by the Issuer and are valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except to the extent that such enforcement may be limited by laws regarding bankruptcy, insolvency, reorganization or moratorium applicable to the Issuer or by general principles of equity regarding the availability of specific performance.

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

SECTION 12. CONDITIONS PRECEDENT. The obligation of the Lender to make the Loan is subject to the satisfaction of each of the following conditions precedent on or before the Date of Delivery:

A. Action. The Lender shall have received a copy of the Resolution certified as complete and correct as of the closing date, together with an executed Line of Credit Agreement, the executed Series 2019 Note, and the customary closing certificates.

B. Incumbency of Officers. The Lender shall have received an incumbency certificate of the Issuer in respect of each of the officers who are authorized to sign this Line of Credit Agreement, the Series 2019 Note, and the related financing documents on behalf of the Issuer.

C. Opinion of Issuer Attorney. The Lender shall have received a written opinion of the Issuer Attorney as to (1) the valid existence of the Issuer as a municipal corporation of the State; (2) the due adoption of the Resolution; (3) the due authorization and execution of this Line of Credit Agreement and the Series 2019 Note, and the transaction contemplated hereby and thereby; (4) the Line of Credit Agreement and the Series 2019 Note constituting valid and binding obligations of the Issuer, enforceable against the Issuer, in accordance with their respective terms; and (5) the absence of litigation against the Issuer relating to (a) its existence or powers, (b) its authority to issue the Series 2019 Note and pledge the Pledged Revenues, and (c) the procedures governing the authorization and issuance of the Series 2019 Note, in a form and substance satisfactory to the Lender.

D. Certificate of Finance Director. The Lender shall have received a certification from the Finance Director that: (1) since the date of the Financial Statements referred to in Section 11.C. above, there has been no material adverse change in the financial condition, revenues, properties or operations of the Issuer; (2) there are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the Issuer as of the date of such financial information which are not reflected therein; (3) there has been no material adverse change in the financial condition or operations of the Issuer since the date of such Financial Statements (and to the Finance Director's knowledge no such material adverse change is pending or threatened); and (4) the Issuer has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such information.

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

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

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

SECTION 13. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered, delivered by telecopier, mailed by registered or certified mail, postage prepaid, or delivered by courier service to the parties at the following addresses:

Issuer: City of Quincy Florida
404 West Jefferson Street
Quincy, Florida 32351
Attention: Interim City Manager at the same address.

Lender: Capital City Bank
304 East Tennessee Street
Tallahassee, Florida 32301
Attention: Daniel Petronio

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

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

A. Failure by the Issuer to make any payment of principal of or interest on the Series 2019 Note within 5 Business Days of the date due.

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

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

D. The filing of a petition against the Issuer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction,

whether now or hereafter in effect, if an order for relief is entered under such petition or such petition is not dismissed within sixty (60) days of such filing.

E. The filing by the Issuer 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 to the filing of any petition against it under such law.

F. The admission by the Issuer 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 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.

SECTION 15. NOTICE OF DEFAULTS. The Issuer shall within five (5) Business Days after it acquires knowledge thereof, notify the Registered Owner of the Series 2019 Note in writing (a) of any change in any material fact or circumstances represented or warranted by the Issuer in this Agreement or in connection with the issuance of the Series 2019 Note, (b) upon the happening, occurrence, or existence of any Event of Default that the Registered Owner is not otherwise aware of, and (c) any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Registered Owner of the Series 2019 Note, with such written notice, a detailed statement by the Authorized Issuer Representative of all the 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 2019 Note, such date shall not in any way modify the date of occurrence of the actual Event of Default.

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

The Issuer and the Lender each waives, to the fullest extent permitted by law, any right to trial by jury in respect of any litigation based upon the Series 2019 Note or arising out of, under or in conjunction with the Series 2019 Note, this Line of Credit Agreement or out of any course of conduct, course of dealing, statements (verbal or written), or actions of the Issuer or the Lender.

SECTION 17. NO PERSONAL LIABILITY. No recourse shall be had for the payment of the principal of and interest on the Series 2019 Note or for any claim based on the Series 2019

whether now or hereafter in effect, if an order for relief is entered under such petition or such petition is not dismissed within sixty (60) days of such filing.

E. The filing by the Issuer 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 to the filing of any petition against it under such law.

F. The admission by the Issuer 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 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.

SECTION 15. NOTICE OF DEFAULTS. The Issuer shall within five (5) Business Days after it acquires knowledge thereof, notify the Registered Owner of the Series 2019 Note in writing (a) of any change in any material fact or circumstances represented or warranted by the Issuer in this Agreement or in connection with the issuance of the Series 2019 Note, (b) upon the happening, occurrence, or existence of any Event of Default that the Registered Owner is not otherwise aware of, and (c) any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Registered Owner of the Series 2019 Note, with such written notice, a detailed statement by the Authorized Issuer Representative of all the 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 2019 Note, such date shall not in any way modify the date of occurrence of the actual Event of Default.

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

The Issuer and the Lender each waives, to the fullest extent permitted by law, any right to trial by jury in respect of any litigation based upon the Series 2019 Note or arising out of, under or in conjunction with the Series 2019 Note, this Line of Credit Agreement or out of any course of conduct, course of dealing, statements (verbal or written), or actions of the Issuer or the Lender.

SECTION 17. NO PERSONAL LIABILITY. No recourse shall be had for the payment of the principal of and interest on the Series 2019 Note or for any claim based on the Series 2019

Note or on this Line of Credit Agreement, against any present or former member or officer of the City Commission, the City Manager, the Finance Director or any person executing the Series 2019 Note.

SECTION 18. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Line of Credit Agreement, shall be other than a Business Day, then such payment or performance shall be made on the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Line of Credit Agreement, provided that interest on any monetary obligation hereunder shall accrue at the applicable rate to and including the date of such payment.

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

SECTION 20. BINDING EFFECT. To the extent provided herein, this Line of Credit Agreement shall be binding upon the Issuer and the Lender and shall inure to the benefit of the Issuer and the Lender and their respective successors and assigns. This Line of Credit Agreement shall be discharged and neither the Issuer nor the Lender shall have any further obligations hereunder or under the Series 2019 Note when the Issuer shall have paid the principal of and interest on the Series 2019 Note in full and shall have paid in full all other amounts, if any, due under the Series 2019 Note or this Line of Credit Agreement.

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

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

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

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

SECTION 25. ASSIGNMENT. The Lender may assign its rights hereunder to any party to whom it sells or transfers the Series 2019 Note.

[Remainder of page left intentionally blank]

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

CITY COMMISSION OF THE CITY OF QUINCY,
FLORIDA

By: _____
ANGELA G. SAPP, MAYOR

(SEAL)

ATTESTED:

By: _____
SYLVIA HICKS, CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS:

By: _____
SCOTT SHIRLEY, ESQ., CITY ATTORNEY

[Signature page to Line of Credit Agreement]

CAPITAL CITY BANK

By: _____

Name: Daniel Petronio

Title: Assistant Vice President

EXHIBIT A

FORM OF SERIES 2019 NOTE

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

No. R-1

Not to Exceed \$ _____

STATE OF FLORIDA
GADSDEN COUNTY
CITY OF QUINCY
UTILITY SYSTEM SUBORDINATE REVENUE NOTE, SERIES 2019

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUE</u>
_____%	_____	_____, 2019

REGISTERED OWNER:

PRINCIPAL AMOUNT: Not to Exceed _____

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

This Note is being issued in the not to exceed aggregate principal amount \$ _____ to pay the costs of the Project under the authority of and in full compliance

with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. _____, duly adopted by the City Commission on _____, 2019 (the "Resolution"), and pursuant to a Line of Credit Agreement between the Issuer and the Registered Owner, dated ____, 2019 (the "Line of Credit Agreement"), to which reference should be made to ascertain those terms and conditions. The terms and provisions of the Line of Credit Agreement and the Resolution, including without limitation, the definitions therein, are hereby incorporated as a part of this Note. The principal of this Note shall be disbursed by the Registered Owner hereof to the Issuer in one or more Advances in accordance with the Line of Credit Agreement. Upon request by the Issuer to the Registered Owner, the Issuer may pay an amount to reduce the principal amount outstanding at anytime without penalty.

This Note is payable from and secured solely by the Pledged Revenues, as defined in and in the manner provided in, and subject to the terms and conditions of, the Resolution and the Line of Credit Agreement. This Note shall not constitute a general obligation or indebtedness of the Issuer, but shall be a limited obligation of the Issuer payable solely from the Pledged Revenues as provided in the Line of Credit Agreement. The Registered Owner hereof shall never have the right to compel the levy of taxes upon any property of or in the Issuer for the payment of the principal of and interest on this Note. Reference is made to the Line of Credit Agreement for the provisions relating to the security for payment of this Note and the duties and obligations of the 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 Line of Credit Agreement, and to enforce and compel the performance of all duties required by the Line of Credit Agreement or by any applicable laws to be performed by the Issuer, the City Commission or by any officer thereof, and may take all steps to enforce the Line of Credit Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America.

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

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

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the CITY OF QUINCY, Florida, has caused this Note to be executed by the Mayor and attested by the City Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue above.

CITY COMMISSION OF THE CITY OF
QUINCY, FLORIDA

By: _____
ANGELA G. SAPP, MAYOR

(SEAL)

ATTESTED:

By: _____
SYLVIA HICKS, CITY CLERK

CERTIFICATE OF AUTHENTICATION

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

City Clerk of the
City of Quincy, Florida,
as Authenticating Agent

Date of Authentication:

____, 2019

By: _____
Authorized Officer

ASSIGNMENT AND TRANSFER

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

Date:

Signature Guaranteed by

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

By: _____
Title:

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

CERTIFICATE OF DELIVERY

We, the undersigned officers of the City of Quincy, Florida (the "Issuer"), DO HEREBY CERTIFY that on the 10th day of January 2019, we delivered to Capital City Bank (the "Lender"), the following described obligation:

Not exceeding \$3,000,000 City of Quincy, Florida, Utility System Subordinate Revenue Note, Series 2019, consisting of one fully-registered Note dated January 10, 2019, bearing interest at a rate of 3.59% and maturing on January 10, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 10th day of January, 2019.

CITY OF QUINCY, FLORIDA

By: _____
ANGELA G. SAPP, MAYOR

(SEAL)

ATTESTED:

By: _____
SYLVIA HICKS, CITY CLERK