
LOAN AGREEMENT

BETWEEN

CITY OF VENICE, FLORIDA

AND

TD BANK, N.A.

Dated as of January 8, 2014

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This **LOAN AGREEMENT** (the "Agreement") is made and entered into as of January 8, 2014, by and between **CITY OF VENICE, FLORIDA**, a municipal corporation duly organized and validly existing under the laws of the State of Florida, and its successors and assigns (the "City"), and **TD BANK, N.A.**, a national banking organization authorized to do business in the State of Florida and its successors and assigns (the "Bondholder");

W I T N E S S E T H:

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

WHEREAS, pursuant to Ordinance No. 2003-20 adopted by the City Council of the City (the "Council") on August 12, 2003, the Council ordered the holding of a bond referendum election to determine if the qualified electors of the City would approve the issuance of not exceeding \$10,000,000 in aggregate principal amount of general obligation bonds payable from ad valorem taxes levied without limit against all taxable property within the City for the principal purpose of financing the acquisition, construction and equipping of various recreational facilities within the City (the "Project"); and

WHEREAS, on November 4, 2003, a bond referendum election was held and the issuance of not exceeding \$10,000,000 aggregate principal amount of general obligation bonds payable from ad valorem taxes levied without limit against all taxable property within the City for the principal purpose of financing costs of the Project was approved by a majority of the qualified electors of the City voting in said referendum election; and

WHEREAS, on February 12, 2004, the City issued its City of Venice, Florida Recreation Capital Improvement General Obligation Bonds, Series 2004 in the aggregate principal amount of \$10,000,000 (the "Refunded Bonds"), to finance costs of the Project; and

WHEREAS, the City has determined that it is in its best interest to currently refund the Refunded Bonds in order to achieve debt service savings; and

WHEREAS, pursuant to a competitive solicitation process, the City's Financial Advisor (as defined herein) solicited proposals from financial institutions to provide a term loan to currently refund the Refunded Bonds; and

WHEREAS, the Bondholder is willing to make a term loan to the City, and the City is willing to incur such loan, pursuant to the terms and provisions of this Agreement in an aggregate principal amount of \$_____ to currently refund the Refunded Bonds and pay costs relating to the issuance of the hereinafter described Series 2014 Bond.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

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

ARTICLE I

DEFINITION OF TERMS

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

"Act" shall mean the State of Florida Constitution, Chapter 166, Florida Statutes, the Charter of the City, the Referendum Ordinance and other applicable provisions of law.

"Agreement" shall mean this Loan Agreement, dated as of January 8, 2014, between the City and the Bondholder and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A., Tampa, Florida or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions and duly admitted to practice law before the highest court of any state of the United States of America.

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

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Bondholder is authorized or required to be closed.

"City" shall mean the City of Venice, Florida, a municipal corporation duly organized and validly existing under the laws of the State of Florida.

"City Manager" shall mean the City Manager of the City, or his or her duly authorized designee.

"Clerk" shall mean the City Clerk of the City, or her or his duly authorized designee.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and applicable rules and regulations.

"Council" shall mean the City Council of the City of Venice, Florida.

"Default Rate" shall mean the lesser of (i) the sum of the Interest Rate plus 4.00%, and (ii) the maximum lawful rate.

"Determination of Taxability" shall mean the circumstance of interest paid or payable on the Series 2014 Bond becoming includable for federal income tax purposes in the gross income of the Bondholder as a consequence of any act, omission or event whatsoever and regardless of whether the same was within or beyond the control of the City. A Determination of Taxability will be deemed to have occurred upon (A) the receipt by the City or the Bondholder of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other official letter or correspondence from the Internal Revenue Service which holds that any interest payable on the Series 2014 Bond is includable in the gross income of the Bondholder; (B) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on the Series 2014 Bond is includable in the gross income of the Bondholder, or (C) receipt by the City or the Bondholder of an opinion of a Bond Counsel that any interest on the Series 2014 Bond has become includable in the gross income of the Bondholder for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on the Series 2014 Bond is deemed includable in the gross income of the Bondholder.

"Finance Director" shall mean the Finance Director of the City, or his or her duly authorized designee.

"Financial Advisor" shall mean City's financial advisor, Larson Consulting Services, LLC.

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

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

"Interest Rate" shall mean a fixed interest rate equal to 2.66% per annum. The Interest Rate is subject to adjustment pursuant to Section 3.03 hereof.

"Maturity Date" shall mean February 1, 2028.

"Mayor" shall mean the Mayor of the City and in his or her absence or unavailability, the Vice-Mayor of the City and such other person as may be duly authorized to act on his or her behalf.

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

"Project" shall mean the acquisition, construction and equipping of various recreational capital improvements within the City as more particularly described in the Referendum Ordinance and the plans and specifications on file with the City, which improvements were financed with proceeds of the Refunded Bonds.

"Referendum Ordinance" shall mean Ordinance No. 2003-20 adopted by the Council on August 12, 2003.

"Refunded Bonds" shall mean the City's outstanding City of Venice, Florida Recreation Capital Improvement General Obligation Bonds, Series 2004, issued under the authority of the Referendum Ordinance and pursuant to the Refunded Bonds Ordinance, to finance costs of the Project.

"Refunded Bonds Ordinance" shall mean Ordinance No. 2004-06 adopted by the Council on January 13, 2004.

"Resolution" shall mean Resolution 2013-25 adopted by the Council on December 10, 2013, which among other things authorized the execution and delivery of this Loan Agreement and the issuance of the Series 2014 Bond.

"Series 2014 Bond" shall mean the City of Venice, Florida Recreation Capital Improvement General Obligation Refunding Bond, Series 2014, authorized to be issued by the Resolution and more particularly described in Section 3.01 hereof.

"Sinking Fund" shall mean the City of Venice, Florida Recreation Capital Improvement General Obligation Refunding Bond, Series 2014 Sinking Fund established under Section 2.05 hereof.

"State" shall mean the State of Florida.

"Tax Certificate" shall mean the Certificate as to Arbitrage and certain Other Tax Matters to be executed by the City in connection with the issuance of the Series 2014 Bond, as such Certificate may be amended from time to time.

SECTION 1.02. INTERPRETATION. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. Any

capitalized terms used in this Agreement not herein defined shall have the meaning ascribed to such terms in the Resolution. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

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

[Remainder of this page intentionally left blank]

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS; SECURITY FOR SERIES 2014 BOND

SECTION 2.01. REPRESENTATIONS BY THE CITY. The City represents, warrants and covenants that:

(a) The City is a municipal corporation duly organized and validly existing under the Constitution and other laws of the State. Pursuant to the Resolution, the City has duly authorized the execution and delivery of this Agreement, the performance by the City of all of its obligations hereunder, and the issuance of the Series 2014 Bond in the aggregate principal amount of \$_____.

(b) The City has complied with all of the provisions of the Constitution and laws of the State, including the Act, and has full power and authority to enter into and consummate all transactions contemplated by this Agreement or under the Series 2014 Bond, and to perform all of its obligations hereunder and under the Series 2014 Bond and, to the best knowledge of the City, the transactions contemplated hereby do not conflict with the terms of any statute, order, rule, regulation, judgment, decree, agreement, instrument or commitment to which the City is a party or by which the City is bound.

(c) The City is duly authorized and entitled to issue the Series 2014 Bond and enter the Agreement and, when issued in accordance with the terms of this Agreement, the Series 2014 Bond and the Agreement will each constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms, subject as to enforceability to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(d) There are no actions, suits or proceedings pending or, to the best knowledge of the City, threatened against or affecting the City, at law or in equity, or before or by any governmental authority, that, if adversely determined, would materially impair the ability of the City to perform the City's obligations under this Agreement or under the Series 2014 Bond.

(e) The City will furnish to the Bondholder within 270 days after the close of each Fiscal Year a copy of the annual audited financial statements of the City, including all standard statements for a Comprehensive Annual Financial Report, prepared by a certified public accountant. The City shall also provide the Bondholder with a copy of the annual budget of the City each year within 60 days of the final adoption of such budget. With reasonable promptness the City shall provide such other data and information as may be reasonably requested by the Bondholder from time to time, or in

the alternative the City shall permit the Bondholder the right to inspect any and all of the City books, records, and/or accountings as may reasonably be related to this Loan Agreement.

(f) The bond referendum election held on November 4, 2003, relating to the issuance by the City of general obligation bonds in the aggregate principal amount of not exceeding \$10,000,000 was duly noticed and duly held in accordance with applicable Florida law and a majority of the electors voting in such election approved the issuance of such bonds.

SECTION 2.02. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BONDHOLDER. The Bondholder hereby represents, warrants and agrees that it is a national banking organization authorized to do business in the State of Florida and authorized to execute and deliver this Agreement and to perform its obligations hereunder, and such execution and delivery will not constitute a violation of its charter, articles of association or bylaws. Pursuant to the terms and provisions of this Agreement, the Bondholder agrees to provide a term loan to the City as evidenced hereby and by the Series 2014 Bond for the purpose of refunding the Refunded Bonds and paying costs relating to the issuance of the Series 2014 Bond.

SECTION 2.03. TAX COVENANT. (a) In order to maintain the exclusion from gross income for purposes of Federal income taxation of interest on the Series 2014 Bond, the City shall comply with each requirement of the Code applicable to the Series 2014 Bond. In furtherance of the covenant contained in the preceding sentence, the City agrees to continually comply with the provisions of the Tax Certificate, which, upon its execution and delivery, will be incorporated fully by reference herein, as a source of guidance for achieving compliance with the Code.

(b) The City shall make any and all rebate payments required to be made to the United States Department of the Treasury in connection with the Series 2014 Bond pursuant to Section 148(f) of the Code.

(c) So long as necessary in order to maintain the exclusion from gross income of interest on the Series 2014 Bond for Federal income tax purposes, the covenants contained in this Section shall survive the payment of the Series 2014 Bond and the interest thereon, including any payment or defeasance thereof.

(d) The City shall not take or permit any action or fail to take any action which would cause the Series 2014 Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

SECTION 2.04. GENERAL OBLIGATION OF THE CITY. The full faith, credit and taxing power of the City shall be and are hereby pledged for the full and prompt payment of the principal of and interest on the Series 2014 Bond. A direct annual

tax without limit shall be levied upon all taxable property within the City to make such payments and provision shall be included and made in the annual budget and tax levy for the levy of the taxes hereinbefore provided. Notwithstanding any other provision of this Resolution, in determining the amount of the ad valorem tax to be levied for a particular Fiscal Year to pay debt service on the Series 2014 Bond, the City shall levy, at a minimum, an amount that assumes that the percentage of ad valorem tax that will be collected in such Fiscal Year will be no higher than the percentage of ad valorem tax collected for the immediately preceding Fiscal Year. Such ad valorem tax shall be levied and collected at the same time, and in the same manner, as other ad valorem taxes of the City are assessed, levied and collected. The ad valorem tax shall be levied and collected in accordance with all applicable law, including, but not limited to, the Referendum Ordinance.

SECTION 2.05. CREATION OF SINKING FUND; PAYMENT COVENANT. (A) There is hereby created the "City of Venice, Florida Recreation Capital Improvement General Obligation Refunding Bond, Series 2014 Sinking Fund" which shall be held in trust for the benefit of the Bondholder. All ad valorem taxes levied in accordance with Section 2.04 hereof shall, promptly upon receipt, be deposited to the Sinking Fund. Moneys in the Sinking Fund shall be held in trust by the City and shall be subject to a lien and charge in favor of the Bondholder and for the further security of such Bondholder.

(B) Money in the Sinking Fund shall be used solely for the purpose of paying debt service on the Series 2014 Bond coming due (whether by maturity, scheduled mandatory redemption or otherwise).

Moneys in the Sinking Fund shall be disbursed for (i) the payment of the interest on the Series 2014 Bond secured hereby as such interest comes due, (ii) the payment of the principal of the Series 2014 Bond secured hereby as such principal comes due, (iii) the payment of the redemption price of the Series 2014 Bond being redeemed; and (iv) the payment of the necessary charges for paying the Series 2014 Bond and interest thereon.

(C) On or prior to each Interest Payment Date and Principal Payment Date, the City shall withdraw from the Sinking Fund sufficient moneys to pay such principal or interest on the Series 2014 Bond. The City covenants that it shall duly and punctually pay the principal of and interest on the Series 2014 Bond at the dates and place and in the manner provided herein and in the Series 2014 Bond according to the true intent and meaning thereof and all other amounts due under this Agreement.

ARTICLE III

DESCRIPTION OF SERIES 2014 BOND; PAYMENT TERMS; OPTIONAL PREPAYMENT

SECTION 3.01. DESCRIPTION OF THE SERIES 2014 BOND. (a) The City hereby authorizes the issuance and delivery of the Series 2014 Bond to the Bondholder which Series 2014 Bond shall be in an aggregate principal amount equal to _____ AND 00/100 DOLLARS (\$_____.00) and shall be designated as the "City of Venice, Florida Recreation Capital Improvement General Obligation Refunding Bond, Series 2014." The text of the Series 2014 Bond shall be substantially in the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable to reflect the particular terms of the Series 2014 Bond. The provisions of the form of the Series 2014 Bond are hereby incorporated in this Agreement.

(b) The Series 2014 Bond shall be dated the date of its delivery. The Series 2014 Bond shall be executed in the name of the City by the manual signature of the Mayor and the official seal of the City shall be affixed thereto and attested by the manual signature of the Clerk. In case any one or more of the officers, who shall have signed or sealed the Series 2014 Bond, shall cease to be such officer of the City before the Series 2014 Bond so signed and sealed shall have been actually delivered, such Series 2014 Bond may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed such Series 2014 Bond had not ceased to hold such office.

(c) The Series 2014 Bond shall bear interest from its date of issuance at the Interest Rate (calculated on a 30/360 day count basis) as the same may be adjusted pursuant to Section 3.03 hereof. Interest on the Series 2014 Bond shall be payable semi-annually on August 1 and February 1 of each year, commencing August 1, 2014 (each an "Interest Payment Date") so long as any amount under the Series 2014 Bond remains outstanding. Principal of the Series 2014 Bond shall be payable annually on February 1 of each year, commencing February 1, 2015 (each a "Principal Payment Date"), through and including the Maturity Date. The aggregate annual principal and interest payments shall be in substantially equal amounts determined on approximately a level debt service basis and shall be set forth in the Series 2014 Bond. The City Manager and the Finance Director are authorized to establish the final debt service schedule with the assistance of the City's Financial Advisor and the agreement of the Bondholder.

(d) All payments of principal of and interest on the Series 2014 Bond shall be payable in any coin or currency of the United States which, at the time of payment, is legal tender for the payment of public and private debts and shall be made to the Bondholder (i) in immediately available funds or wire transfer, (ii) by delivering to the Bondholder no later than the applicable Interest Payment Date or Principal Payment Date a check or draft of the City, or (iii) in such other manner as the City and the Bondholder

shall agree. If any Interest Payment Date or Principal Payment Date is not a Business Day, the corresponding payment shall be due on the next succeeding Business Day. The City shall maintain books and records with respect to the identity of the holders of the Series 2014 Bond.

(e) Other than the fees referred to in Section 4.01(b) hereof, there will be no Bondholder fees for the term loan made hereunder. Except as otherwise provided herein, the Bondholder shall pay for all of its costs relating to servicing the term loan.

SECTION 3.02. OPTIONAL PREPAYMENT. The Series 2014 Bond may be prepaid at any time prior to the Maturity Date, at the option of the City, from any moneys legally available therefor, upon notice as provided herein, in whole or in part at any time or from time to time, without a prepayment premium, by paying to the Bondholder all or a part of the principal amount of the Series 2014 Bond to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment.

Any prepayment shall be made on such date and in such principal amount as shall be specified by the City in a written notice provided to the Bondholder not less than ten (10) days prior thereto by first class mail. Notice having been given as aforesaid, the amount of principal of the Series 2014 Bond stated in such notice or the whole thereof, as the case may be, shall become due and payable on the date of prepayment stated in such notice, together with interest accrued and unpaid to the date of prepayment on the principal amount then being paid. If on the date of prepayment moneys for the payment of the principal amount to be prepaid on the Series 2014 Bond, together with interest to the date of prepayment on such principal amount shall have been paid to the Bondholder as above provided, then from and after the date of prepayment, interest on such prepaid principal amount of the Series 2014 Bond shall cease to accrue. If said money shall not have been so paid on the date of prepayment, such principal amount of the Series 2014 Bond shall continue to bear interest until payment thereof at the Interest Rate.

The Bondholder shall make appropriate notations in its records indicating the amount and date of any such prepayment and shall promptly transmit an acknowledgment to the City indicating the amount and date of such prepayment.

SECTION 3.03. ADJUSTMENTS TO INTEREST RATES. (a) If for any reason it shall be determined that any portion of the Series 2014 Bond is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, then the Interest Rate thereon shall be increased to such rate as shall provide the Bondholder with the same rate of return that the Bondholder would have otherwise received on the Series 2014 Bond taking into account the diminished deductibility of interest expense of the Bondholder under Section 265 of the Code as a result of the non "qualified tax-exempt obligation" status of the Series 2014 Bond; provided, however, such increased rate shall

never exceed the maximum rate allowable by law. The Bondholder shall provide the City with sufficient evidence supporting any such increase.

(b) In the event of a Determination of Taxability, the Interest Rate on the Series 2014 Bond shall be immediately increased to such rate as shall provide the Bondholder with the same rate of return that the Bondholder would have otherwise received on the Series 2014 Bond taking into account the increased taxable income of the Bondholder of the Series 2014 Bond as a result of such Determination of Taxability (the "Adjusted Rate"); provided, however, such Adjusted Rate shall never exceed the maximum rate allowable by law. The Bondholder shall provide the City with sufficient evidence supporting any such increase. Immediately upon a Determination of Taxability, the City agrees to pay to the Bondholder, the Additional Amount. "Additional Amount" means (i) the difference between (A) interest on the Series 2014 Bond for the period commencing on the date on which the interest on the Series 2014 Bond (or portion thereof) is deemed to have lost its tax-exempt status and ending on the effective date of the adjustment of the Interest Rate to the Adjusted Rate (the "Taxable Period") at a rate per annum equal to the Adjusted Rate and (B) the aggregate amount of interest paid on the Series 2014 Bond during the Taxable Period at the Interest Rate applicable to the Series 2014 Bond prior to the adjustment to the Adjusted Rate, plus (ii) any penalties, fines, fees, costs and interest paid or payable by the Bondholder to the Internal Revenue Service by reason of such Determination of Taxability.

ARTICLE IV

CONDITIONS FOR ISSUANCE OF THE SERIES 2014 BOND

SECTION 4.01. CONDITIONS FOR ISSUANCE. (a) In connection with the issuance of the Series 2014 Bond, the Bondholder shall not be obligated to purchase the Series 2014 Bond pursuant to this Agreement unless at or prior to the issuance thereof the City delivers to the Bondholder the following items in form and substance acceptable to the Bondholder:

- (i) A fully executed Tax Certificate;
- (ii) A copy of a completed and executed Form 8038-G to be filed with the Internal Revenue Service;
- (iii) An opinion of Bond Counsel in form and substance to the effect that (A) the Series 2014 Bond has been duly authorized by the City and is an enforceable obligation in accordance with its terms (enforceability of it may be subject to standard bankruptcy exceptions and the like), (B) interest on the Series 2014 Bond shall be excludable from gross income for federal income tax purposes and will not be treated as a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code, and (C) the Series 2014 Bond is a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code;
- (iv) An opinion of counsel of the City Attorney in form and substance acceptable to the Bondholder; and
- (v) Such additional certificates, instruments and other documents as the Bondholder, Bond Counsel, or the City Attorney may deem necessary or appropriate.

(b) The City shall deposit an amount of the proceeds of the Series 2014 Bond equal to \$_____ to the escrow fund to pay costs of refunding the Refunded Bonds in accordance with the Escrow Deposit Agreement dated the date hereof, between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent. The remaining proceeds of the Series 2014 Bond shall be applied to pay costs of issuing the Series 2014 Bond, including, but not limited to, \$4,000 to legal counsel for the Bondholder.

ARTICLE V

EVENTS OF DEFAULT; REMEDIES

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

(a) The City shall fail to make timely payment of principal or interest then due with respect to the Series 2014 Bond;

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

(c) Any covenant of the City contained in this Agreement shall be breached or violated for a period of thirty (30) days after the City's notice of such breach or violation, unless the Bondholder shall agree in writing, in its sole discretion, to an extension of such time prior to its expiration; and

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

SECTION 5.02. REMEDIES. If any event of default shall have occurred and be continuing, the Bondholder or any trustee or receiver acting for the Bondholder may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the City or by any officer thereof, including, but not limited to, specific performance. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

After the occurrence of an Event of Default, notwithstanding any other terms hereof, the Series 2014 Bond shall bear interest at the Default Rate until such Event of Default is cured. The City shall promptly notify the Bondholder of the occurrence of any

Event of Default. In addition, in the event any payment due hereunder is not paid within 15 days of the applicable scheduled payment date, a late payment fee equal to 6% of the amount that is overdue shall be immediately due and payable.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. AMENDMENTS, CHANGES OR MODIFICATIONS TO THE AGREEMENT. This Agreement shall not be amended, changed or modified without the prior written consent of the Bondholder and the City.

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

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

SECTION 6.04. TERM OF AGREEMENT. This Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as the Series 2014 Bond is outstanding.

SECTION 6.05. NOTICE OF CHANGES IN FACT. Promptly after the City becomes aware of the same, the City will notify the Bondholder of (a) any change in any material fact or circumstance represented or warranted by the City in this Agreement or in connection with the issuance of the Series 2014 Bond, and (b) any default or event which, with notice or lapse of time or both, could become a default under the Agreement, specifying in each case the nature thereof and what action the City has taken, is taking and/or proposed to take with respect thereto.

SECTION 6.06. NOTICES. Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or sent registered or certified mail, postage prepaid, to City of Venice, Florida, City Hall, 401 West Venice Avenue, Venice, FL 34285, Attention: City Manager, and to the Bondholder, _____, _____, _____, Attention: _____, or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

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

SECTION 6.08. APPLICABLE LAW. The substantive laws of the State of Florida shall govern this Agreement.

SECTION 6.09. INCORPORATION BY REFERENCE. All of the terms and obligations of the Resolution are hereby incorporated herein by reference as if said Resolution was fully set forth in this Agreement and the Series 2014 Bond.

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

CITY OF VENICE, FLORIDA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

TD BANK, N.A.

By: _____
Title:

EXHIBIT A

\$_____00

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF VENICE, FLORIDA
RECREATION CAPITAL IMPROVEMENT
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2014**

<u>Interest</u> <u>Rate</u>	<u>Date of Issuance</u>	<u>Final</u> <u>Maturity Date</u>
____%	January 8, 2014	February 1, 2028

KNOW ALL MEN BY THESE PRESENTS, that City of Venice, Florida (the "City"), for value received, hereby promises to pay to the order of _____, or its successors or assigns (the "Bondholder"), the principal sum of _____ AND 00/100 DOLLARS (\$_____00) pursuant to that certain Loan Agreement by and between the Bondholder and the City, dated as of January 8, 2014 (the "Agreement"), and to pay interest on the outstanding principal amount hereof from the Date of Issuance set forth above, or from the most recent date to which interest has been paid, at the Interest Rate per annum (calculated on a 30/360 day count basis) identified above (subject to adjustment as provided in the Agreement) on August 1 and February 1 of each year (each an "Interest Payment Date"), commencing on August 1, 2014, so long as any amount under this Bond remains outstanding. Principal of this Bond shall be payable on February 1 of each year, commencing on February 1, 2015, through and including the Maturity Date identified above. The repayment schedule for this Bond is set forth on Appendix I attached hereto. The principal and interest on this Bond is payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Bond is issued under the authority of and in full compliance with the Florida Constitution, Chapter 166, Florida Statutes, the Charter of the City, the Referendum Ordinance (as defined in the Agreement) and other applicable provisions of law, and pursuant to Resolution 2013-25 duly adopted by the City Council on December 10, 2013 (the "Resolution"), as such Resolution may be amended and supplemented from time to time, and is subject to all terms and conditions of the Resolution and the Agreement. Any capitalized term used in this Bond and not otherwise defined shall have the meaning

ascribed to such term in the Agreement. This Bond is being issued to currently refund all of the City's outstanding Recreation Capital Improvement General Obligation Bonds, Series 2004.

In accordance with the terms of the Agreement, the City has pledged its full faith, credit and taxing power for the full and prompt payment of the principal of and interest on the Series 2014 Bond. Except as otherwise provided in the Agreement, a direct annual tax shall be levied without limit upon all taxable property within the City to make such payments and provision shall be included and made in the annual budget and tax levy for the levy of such taxes. Any such tax shall be levied and collected at the same time, and in the same manner, as other ad valorem taxes of the City are assessed, levied and collected.

This Bond shall bear interest at the Interest Rate identified above on a 30/360 day count basis. Such Interest Rate is subject to adjustment as provided in Section 3.03 and Section 5.02 of the Agreement. The Bondholder shall provide to the City upon request such documentation to evidence the amount of interest due with respect to the Series 2014 Bond upon any such adjustment.

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

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

The City has designated this Bond as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond may be prepaid at any time prior to the Maturity Date, at the option of the City, from any moneys legally available therefor, upon notice as provided herein, in whole or in part at any time or from time to time, without a prepayment premium, by paying to the Bondholder all or a part of the principal amount of this Bond to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment.

Any prepayment shall be made on such date and in such principal amount as shall be specified by the City in a written notice provided to the Bondholder not less than ten (10) days prior thereto by first class mail. Notice having been given as aforesaid, the amount of principal of this Bond stated in such notice or the whole thereof, as the case may be, shall become due and payable on the date of prepayment stated in such notice, together with interest accrued and unpaid to the date of prepayment on the principal

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

The Bondholder shall make appropriate notations in its records indicating the amount and date of any such prepayment and shall promptly transmit an acknowledgment to the City indicating the amount and date of such prepayment.

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

IN WITNESS WHEREOF, the City caused this Bond to be signed by the manual signature of the Mayor and the seal of the City to be affixed hereto or imprinted or reproduced hereon, and attested by the manual signature of the City Clerk, and this Bond to be dated the Date of Issuance set forth above.

CITY OF VENICE, FLORIDA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Repayment Schedule for the
CITY OF VENICE, FLORIDA
RECREATION CAPITAL IMPROVEMENT GENERAL OBLIGATION
REFUNDING BOND, SERIES 2014

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
8/01/14			
2/01/15			
8/01/15			
2/01/16			
8/01/16			
2/01/17			
8/01/17			
2/01/18			
8/01/18			
2/01/19			
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2/01/26			
8/01/26			
2/01/27			
8/01/27			
2/01/28			