

RESOLUTION NO. 2025-981B

A RESOLUTION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY, A UNIT OF CITY GOVERNMENT OF THE CITY OF GAINESVILLE, FLORIDA, RELATING TO THE STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; AUTHORIZING THE EXECUTION AND DELIVERY OF, ONE OR MORE ESCROW DEPOSIT AGREEMENTS WITH RESPECT THERETO; DESIGNATING AUTHORIZED REPRESENTATIVES; APPROVING THE SELECTION OF AN ESCROW AGENT; PROVIDING ASSURANCES; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.

WHEREAS, Florida Statutes provide for loans to local government agencies to finance the construction of wastewater treatment facilities; and

WHEREAS, Florida Administrative Code rules require authorization to apply for loans, to establish pledged revenues, to designate an authorized representative; to provide assurances of compliance with loan program requirements; and to enter into a loan agreement; and

WHEREAS, the State Revolving Fund loan priority list designates Project No. LS010210 as eligible for available funding; and

WHEREAS, the Gainesville Regional Utilities Authority (“Authority”), a Unit of City Government of the City of Gainesville, Florida, intends to enter into a loan agreement (the “Loan Agreement”) with the Department of Environmental Protection (“DEP”) under the State Revolving Fund for project financing pursuant to which DEP will make a loan to the Authority (the “Loan”); and

WHEREAS, the City of Gainesville, Florida (the “City”), will be responsible for 51% of the loan and the balance of the loan will be forgivable in accordance with the terms of the Loan Agreement and such forgivable portion shall be treated as a grant for all purposes;

WHEREAS, the Loan Agreement provides that the obligations under the Loan may be defeased without penalty by depositing sufficient cash into an irrevocable trust with a banking institution or trust company for the sole benefit of DEP in an amount equal to the principal balance of the Loan and service fee (there is no interest on the loan);

WHEREAS, the Authority intends to simultaneously with the issuance of the Loan defease its obligations thereunder by depositing cash in an amount equal to the principal balance of the Loan and the service fee (there is no interest on the loan) which is the non-forgivable portion, under an Escrow Deposit Agreement between the Authority and an escrow agent, the form thereto being attached hereto as Exhibit “B” (the “Escrow Deposit Agreement”);

WHEREAS, pursuant to section 2, article 7.01, Ch. 2023-348, Laws of Florida (“Special Act”), the Authority shall operate as a Unit of City Government and, except as otherwise provided in the Special Act, shall be free from direction and control of the Gainesville City Commission.

The Authority is created for the express purpose of managing, operating, controlling, and otherwise having broad authority with respect to the utilities owned by the City of Gainesville; and

WHEREAS, pursuant to section 2, article 7.03(e) of the Special Act, the Authority is authorized to issue evidences of indebtedness of the City of Gainesville secured by the revenues and pledged funds and accounts of the utility system, pursuant to Florida Law; and

the City Commission of the City (the “Commission”) adopted Resolution No. 2023-1186 on December 22, 2023 (the “Transition Resolution”) to effectuate the orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System to the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE GAINESVILLE REGIONAL UTILITIES AUTHORITY, A UNIT OF CITY GOVERNMENT OF THE CITY OF GAINESVILLE, FLORIDA, AS FOLLOWS:

SECTION I. The foregoing findings are incorporated herein by reference and made a part hereof.

SECTION II. The Authority, a Unit of City Government of the City of Gainesville, Florida, is authorized to apply for a loan to finance the Project.

SECTION III. The form of the Loan Agreement attached hereto as Exhibit “A” is hereby approved, subject to such changes, insertions and omissions and filling of blanks therein, as may be approved and made in such form of Loan Agreement by the officers of the Authority executing the same, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of such approval. The Escrow Deposit Agreement, in such form as may be approved by the officers of the Authority executing the same, in a manner consistent with the provisions of this Resolution is hereby approved and such execution to be conclusive evidence of such approval.

SECTION IV. The Gainesville Regional Utilities Authority’s Chief Executive Officer/General Manager is hereby designated as the authorized representative and agent of the City of Gainesville to provide the assurances and commitments required by the loan application. U.S. Bank National Association is hereby selected and appointed as escrow agent to serve under the Escrow Deposit Agreement.

SECTION V. The Gainesville Regional Utilities Authority’s Chief Executive Officer/General Manager is hereby designated as the authorized representative and agent of the City of Gainesville to execute the Loan Agreement and Escrow Deposit Agreement which will become a binding obligation in accordance with its terms when signed by both parties. The Gainesville Regional Utilities Authority’s Chief Executive Officer/General Manager is authorized to represent and act as an agent of the City of Gainesville in carrying out the City of Gainesville and its Authority’s responsibilities under the Loan Agreement. The Chief Executive Officer/General Manager is authorized to delegate responsibility to appropriate Authority staff to carry out technical, financial, and administrative activities associated with the Loan Agreement.

SECTION VI. Although governing bodies of municipalities are generally authorized to borrow pursuant to section 166.111, *Florida Statutes*, the specific legal authority for the Authority’s

borrowing moneys to construct this Project is section 2, article 7.03(e), Ch. 2023-348, Laws of Florida, and Article VII, section 7.03(e) of Gainesville's City Charter.

SECTION VII. All resolutions or part of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION VIII. If any section or portion of a section of this Resolution 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 Resolution.

SECTION IX. This Resolution shall become effective immediately upon its passage and adoption.

PASSED and ADOPTED this 10th day of December 2025.

GAINESVILLE REGIONAL UTILITIES
AUTHORITY

By: 
Eric Lawson, Chair

Approved as to Form and Legality:

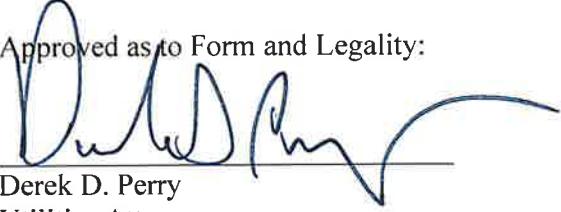

Derek D. Perry
Utilities Attorney

EXHIBIT A
FORM LOAN AGREEMENT

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

AND

CITY OF GAINESVILLE, FLORIDA

**DRINKING WATER STATE REVOLVING FUND
PLANNING AND DESIGN LOAN AGREEMENT**

LS010210

Florida Department of Environmental Protection
State Revolving Fund Program
Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard, MS 3505
Tallahassee, Florida 32399-3000

DRINKING WATER STATE REVOLVING FUND PLANNING AND DESIGN LOAN
AGREEMENT

<u>CONTENTS</u>	<u>PAGE</u>
ARTICLE I - DEFINITIONS	1
1.01. WORDS AND TERMS.	1
1.02. CORRELATIVE WORDS.	3
ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS	3
2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.	3
2.02. LEGAL AUTHORIZATION.	5
2.03. AUDIT AND MONITORING REQUIREMENTS.	5
ARTICLE III – LOAN REPAYMENT ACCOUNT	7
3.01. LOAN REPAYMENT ESCROW ACCOUNT.	7
3.02. RESTORATION OF LOAN REPAYMENT ESCROW ACCOUNT.	7
3.03. INVESTMENT OF LOAN REPAYMENT RESERVE MONEYS.	7
3.04. LOAN REPAYMENT ESCROW ACCOUNT WITHDRAWALS.	8
3.05. ASSETS HELD IN TRUST.	8
ARTICLE IV - PROJECT INFORMATION	8
4.01. PROJECT CHANGES.	8
4.02. CLOSE-OUT.	8
4.03. DISBURSEMENTS.	8
ARTICLE V - RATES AND USE OF THE UTILITY SYSTEM	9
5.01. RESERVED.	9
5.02. NO FREE SERVICE.	9
5.03. RESERVED.	9
5.04. NO COMPETING SERVICE.	9
5.05. MAINTENANCE OF THE UTILITY SYSTEM.	9
5.06. ADDITIONS AND MODIFICATIONS.	9
5.07. COLLECTION OF REVENUES.	9
ARTICLE VI - DEFAULTS AND REMEDIES	10
6.01. EVENTS OF DEFAULT.	10
6.02. REMEDIES.	11
6.03. DELAY AND WAIVER.	12
ARTICLE VII - RESERVED	12
ARTICLE VIII - GENERAL PROVISIONS	12
8.01. RESERVED.	12
8.02. PROJECT RECORDS AND STATEMENTS.	12
8.03. ACCESS TO PROJECT SITE.	12
8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.	12

DRINKING WATER STATE REVOLVING FUND PLANNING AND DESIGN LOAN
AGREEMENT

<u>CONTENTS</u>	<u>PAGE</u>
8.05. AMENDMENT OF AGREEMENT.	12
8.06. ABANDONMENT, TERMINATION OR VOLUNTARY CANCELLATION.	13
8.07. SEVERABILITY CLAUSE.	13
8.08. SIGNAGE.	13
8.09. PUBLIC RECORDS ACCESS.	13
8.10. SCRUTINIZED COMPANIES.	14
8.11. SUSPENSION.	15
8.12. CIVIL RIGHTS.	15
8.13. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.	16
ARTICLE IX – CONTRACTS AND INSURANCE	16
9.01. CONTRACTS.	16
9.02. SUBMITTAL OF CONTRACT DOCUMENTS.	17
9.03. RESERVED.	17
ARTICLE X - DETAILS OF FINANCING	17
10.01. PRINCIPAL AMOUNT OF LOAN.	17
10.02. LOAN SERVICE FEE.	17
10.03. INTEREST RATE.	17
10.04. LOAN TERM.	18
10.05. REPAYMENT SCHEDULE.	18
10.06. PROJECT COSTS.	18
10.07. SCHEDULE.	18
10.08. SPECIAL CONDITIONS.	19
ARTICLE XI - EXECUTION OF AGREEMENT	20

**DRINKING WATER STATE REVOLVING FUND
PLANNING AND DESIGN LOAN AGREEMENT**

LS010210

THIS AGREEMENT is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF GAINESVILLE, FLORIDA, (Project Sponsor) existing as a local governmental entity under the laws of the State of Florida. Collectively, the Department and the Project Sponsor shall be referred to as "Parties" or individually as "Party".

RECITALS

Pursuant to Section 403.8532, Florida Statutes and Chapter 62-552, Florida Administrative Code, the Department is authorized to make loans to finance the planning, design and construction of public water systems; and

The Department is authorized to allow Principal Forgiveness on Loans funded by the Federal Safe Drinking Water Act; and

The Project Sponsor applied for the financing of Planning and Design Activities, and the Department has determined that all requirements for a Loan and Principal Forgiveness have been met.

AGREEMENT

In consideration of the Department loaning money to the Project Sponsor, in the principal amount and pursuant to the covenants set forth below, it is agreed as follows:

ARTICLE I - DEFINITIONS

1.01. WORDS AND TERMS.

Words and terms used herein shall have the meanings set forth below:

- (1) "Agreement" or "Loan Agreement" shall mean this agreement.
- (2) "Authorized Representative" shall mean the official of the Project Sponsor authorized by ordinance or resolution to sign documents associated with the Loan.
- (3) "Capitalized Interest" shall mean the interest accruing on Loan proceeds from the time of disbursement until six months before the Loan Payment is due. Capitalized Interest is financed as part of the Loan principal.
- (4) "Depository" shall mean a bank or trust company, having a combined capital and unimpaired surplus of not less than \$50 million, authorized to transact commercial banking or savings and loan business in the State of Florida and insured by the Federal Deposit Insurance Corporation.

(5) “Design Activities” shall mean the design of work defined in the approved planning document that will result in plans and specifications, ready for permitting and bidding, for an eligible construction project.

(6) “Final Amendment” shall mean the final agreement executed between the parties that establishes the final terms for the Loan such as the final Loan amount, the Financing Rate, Loan Service Fee, and Loan Payment amount.

(7) “Final Unilateral Amendment” shall mean the Loan Agreement unilaterally finalized by the Department after Loan Agreement and Project abandonment under Section 8.06 that establishes the final amortization schedule for the Loan.

(8) “Financial Assistance” shall mean Principal Forgiveness funds or Loan funds.

(9) “Gross Revenues” shall mean all income or earnings received by the Project Sponsor from the ownership or operation of its Utility System, including investment income, all as calculated in accordance with generally accepted accounting principles. Gross Revenues shall not include proceeds from the sale or other disposition of any part of the Utility System, condemnation awards or proceeds of insurance, except use and occupancy or business interruption insurance, received with respect to the Utility System.

(10) “Loan” shall mean the amount of money to be loaned pursuant to this Agreement and subsequent amendments.

(11) “Loan Application” shall mean the completed form which provides all information required to support obtaining loan financial assistance from the Department.

(12) “Loan Payment” shall mean the payment due from the Project Sponsor to the Department.

(13) “Loan Repayment Escrow Account” or “Loan Repayment Escrow” shall mean an interest-bearing account, established and maintained, into which will be deposited the amount set aside as Pledged Revenues to pay the Loan.

(14) “Loan Service Fee” shall mean an origination fee which shall be paid to the Department by the Project Sponsor.

(15) “Local Governmental Entity” means a county, municipality, special district, unit of city government, or municipal agency.

(16) “Monthly Loan Deposit” shall mean the monthly deposit to be made by the Project Sponsor to the Loan Debt Service Account.

(17) “Operation and Maintenance Expense” shall mean the costs of operating and maintaining the Utility System determined pursuant to generally accepted accounting principles, exclusive of interest on any debt payable from Gross Revenues, depreciation, and any other items not requiring the expenditure of cash.

(18) "Planning Activities" shall mean the planning or administrative work necessary for the Project Sponsor to qualify for Drinking Water State Revolving Fund financing for inventory and replacement of lead service lines.

(19) "Pledged Revenues" shall mean the specific revenues pledged as security for repayment of the Loan and shall be deposited in the Loan Repayment Escrow Account in the amount of \$822,931.

(20) "Principal Forgiveness" shall mean the amount of money awarded pursuant to this Agreement and subsequent amendments that is not to be repaid.

(21) "Project" shall mean the Planning and Design Activities for lead service lines inventory and replacement. This Project is a Capitalization Grant Project as defined in Chapter 62-552, Florida Administrative Code.

(22) "Utility System" shall mean all devices and facilities of the Water System owned by the Project Sponsor.

(23) "Water System" shall mean all facilities owned by the Project Sponsor for supplying and distributing water for residential, commercial, industrial, and governmental use.

1.02. CORRELATIVE WORDS.

Words of the masculine gender shall be understood to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural and the word "person" shall include corporations and associations, including public entities, as well as natural persons.

ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Project Sponsor warrants, represents and covenants that:

(1) The Project Sponsor has full power and authority to enter into this Agreement and to comply with the provisions hereof.

(2) Notwithstanding sections 2.01(2)(a)-(b) below, the Parties acknowledge that the Project Sponsor's City Commission is actively pursuing a Charter Amendment to assume legal control over Gainesville Regional Utilities (GRU), a unit of Local Government, from GRU; and the two entities are engaged in, and may further engage in, litigation regarding the legal control of GRU. Despite these proceedings, nothing therein seeks to restrain or enjoin GRU or its governing body from entering into or complying with agreements—only what governing body will have ultimate legal control of GRU in the future. All past, existing, and future agreements remain and will remain valid and vested with the Project Sponsor despite any potential change in the governing body of GRU.

(a) The Project Sponsor currently is not the subject of bankruptcy, insolvency, or reorganization proceedings and is not in default of, or otherwise subject to, any agreement or any law, administrative regulation, judgment, decree, note, resolution, charter or ordinance which would currently restrain or enjoin it from entering into, or complying with, this Agreement.

(b) There is no material action, suit, proceeding, inquiry or investigation, at law or in equity, before any court or public body, pending or, to the best of the Project Sponsor's knowledge, threatened, which seeks to restrain or enjoin the Project Sponsor from entering into or complying with this Agreement.

(3) The Project Sponsor shall undertake the Project on its own responsibility, to the extent permitted by law.

(4) To the extent permitted by law, the Project Sponsor shall release and hold harmless the State, its officers, members, and employees from any claim arising in connection with the Project Sponsor's actions or omissions in its Planning and Design Activities financed by this Loan.

(5) All Project Sponsor representations to the Department, pursuant to the Loan Application and Agreement, were true and accurate as of the date such representations were made. The financial information delivered by the Project Sponsor to the Department was current and correct as of the date such information was delivered. The Project Sponsor shall comply with Chapter 62-552, Florida Administrative Code, and all applicable State and Federal laws, rules, and regulations which are identified in the Loan Application or Agreement. To the extent that any assurance, representation, or covenant requires a future action, the Project Sponsor shall take such action to comply with this agreement.

(6) The Project Sponsor shall maintain records using generally accepted accounting principles established by the Governmental Accounting Standards Board. As part of its bookkeeping system, the Project Sponsor shall keep accounts of the Utility System separate from all other accounts and it shall keep accurate records of all revenues, expenses, and expenditures relating to the Utility System, and of the Pledged Revenues, and Loan disbursement receipts.

(7) RESERVED.

(8) Pursuant to Section 216.347 of the Florida Statutes, the Project Sponsor shall not use the Loan proceeds for the purpose of lobbying the Florida Legislature, the Judicial Branch, or a State agency.

(9) The Project Sponsor agrees to complete the Planning and Design Activities in accordance with the schedule set forth in Section 10.07. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Project Sponsor are excepted. However, there shall be no resulting diminution or delay in the Loan Payment or the Monthly Loan Deposit.

(10) The Project Sponsor covenants that this Agreement is entered into for the purpose of completing Planning and Design Activities in order to construct facilities which will, in all events, serve a public purpose.

2.02. LEGAL AUTHORIZATION.

(1) Upon signing this Agreement, the Project Sponsor's legal counsel hereby expresses the opinion, subject to laws affecting the rights of creditors generally, that this Agreement has been duly authorized by the Project Sponsor and shall constitute a valid and legal obligation of the Project Sponsor enforceable in accordance with its terms upon execution by both parties.

2.03. AUDIT AND MONITORING REQUIREMENTS.

The Project Sponsor agrees to the following audit and monitoring requirements.

(1) The financial assistance authorized pursuant to this Loan Agreement consists of the following:

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
4L-02D68124-0	EPA	66.468	Capitalization Grants for Drinking Water State Revolving Fund	\$547,405	149952

(2) Audits.

(a) In the event that the Project Sponsor expends \$1,000,000 or more in Federal awards in its fiscal year, the Project Sponsor must have a Federal single audit or program specific audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F. In determining the Federal awards expended in its fiscal year, the Project Sponsor shall consider all sources of Federal awards, including Federal resources received from the Department. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR 200.502-503. An audit of the Project Sponsor conducted by the Auditor General in accordance with the provisions of 2 CFR 200.514 will meet the requirements of this part.

(b) In connection with the audit requirements addressed in the preceding paragraph (a), the Project Sponsor shall fulfill the requirements relative to auditee responsibilities as provided in 2 CFR 200.508-512.

(c) If the Project Sponsor expends less than \$1,000,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F, is not required. The Project Sponsor shall inform the Department of findings and recommendations pertaining to the State Revolving Fund in audits conducted by the Project Sponsor. In the event that the Project Sponsor expends less than \$1,000,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from Project Sponsor resources obtained from other than Federal entities).

(d) The Project Sponsor may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at <https://sam.gov/>.

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with 2 CFR Part 200, Subpart F, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by 2 CFR Part 200, Subpart F, by or on behalf of the Project Sponsor directly to each of the following:

(i) The Department at one of the following addresses:

By Mail:

Audit Director
Florida Department of Environmental Protection
Office of the Inspector General, MS40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-30000

Electronically:

FDEPSingleAudit@dep.state.fl.us

(ii) The Federal Audit Clearinghouse designated in 2 CFR Section 200.501(a) at the following address:

<https://harvester.census.gov/facweb/>

(iii) Other Federal agencies and pass-through entities in accordance with 2 CFR Section 200.512.

(b) Pursuant to 2 CFR Part 200, Subpart F, the Project Sponsor shall submit a copy of the reporting package described in 2 CFR Part 200, Subpart F, and any management letters issued by the auditor, to the Department at the address listed under Subsection 2.03(3)(a)(i) of this Agreement.

(c) Any reports, management letters, or other information required to be submitted to the Department pursuant to this Agreement shall be submitted timely in accordance with 2 CFR Part 200, Subpart F, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

(d) Project Sponsors, when submitting financial reporting packages to the Department for audits done in accordance with 2 CFR Part 200, Subpart F, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the Project Sponsor in correspondence accompanying the reporting package.

(4) Record Retention.

The Project Sponsor shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date of the Final Amendment, and shall allow the Department, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The Project Sponsor shall ensure that working papers are made available to the Department, or its designee, Chief Financial Officer, or Auditor General upon request for a period of five years from the date of the Final Amendment, unless extended in writing by the Department.

(5) Monitoring.

In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F, as revised (see audit requirements above), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by 2 CFR Part 200, Subpart F., and/or other procedures. By entering into this Agreement, the Project Sponsor agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department. In the event the Department determines that a limited scope audit of the Project Sponsor is appropriate, the Project Sponsor agrees to comply with any additional instructions provided by the Department to the Project Sponsor regarding such audit. The Project Sponsor understands its duty, pursuant to Section 20.055(5), F.S., to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. The Project Sponsor will comply with this duty and ensure that any subcontracts issued under this Agreement will impose this requirement, in writing, on its subcontractors.

ARTICLE III – LOAN REPAYMENT ACCOUNT

3.01. LOAN REPAYMENT ESCROW ACCOUNT.

The Project Sponsor shall establish a Loan Repayment Escrow Account with a Depository. The Project Sponsor shall deposit into the account the reserve amount identified in Section 10.07 of this Agreement by the date set forth therein. Loan Repayment Escrow Account funds shall be used to make the Loan Payment as identified in Section 10.05. A letter restricting withdrawals from the account must be provided prior to any funds being disbursed.

3.02. RESTORATION OF LOAN REPAYMENT ESCROW ACCOUNT.

A default causing the Project Sponsor to use the Loan Repayment Escrow Account or the use of the account to prevent default shall result in the Project Sponsor being responsible for making special deposits to restore the account. Special restoration deposits shall be made from the first moneys legally available to the Project Sponsor for such purpose.

3.03. INVESTMENT OF LOAN REPAYMENT RESERVE MONEYS.

Moneys on deposit in the Loan Repayment Escrow Account shall be invested pursuant to the laws of the State of Florida. Such moneys may be pooled for investment purposes. The maturity or redemption date of investments shall be not later than the date set for the final Loan Payment provided, however, that moneys must be available for withdrawal, if necessary, pursuant

to Section 3.05 of this Agreement. All investment income and earnings shall be credited to the Loan Repayment Escrow Account.

3.04. LOAN REPAYMENT ESCROW ACCOUNT WITHDRAWALS.

The withdrawal of moneys from the Loan Repayment Escrow Account shall be for the sole purpose of making the Loan Payment.

3.05. ASSETS HELD IN TRUST.

The assets in all accounts created under this Loan Agreement shall be held in trust for the purposes provided herein and used only for the purposes and in the manner prescribed in this Agreement; and, pending such use, said assets shall be subject to a lien and charge in favor of the Department.

ARTICLE IV - PROJECT INFORMATION

4.01. PROJECT CHANGES.

After the Department's environmental review has been completed, the Project Sponsor shall promptly notify the Department, in writing, of any Project change that would require a modification to the environmental information document.

4.02. CLOSE-OUT.

The Department shall conduct a final inspection of the Planning and Design Activities records. Following the inspection, deadlines for submitting additional disbursement requests, if any, shall be established, along with deadlines for uncompleted Loan or Principal Forgiveness requirements, if any. Deadlines shall be incorporated into the Loan Agreement by amendment. After the Department establishes the final costs to be financed by the Loan, the itemized costs will be adjusted by amendment. The Loan principal shall be reduced by any excess over the amount required to pay all approved costs. As a result of such adjustment, the Loan Payment shall be reduced accordingly, as addressed in Section 10.05.

4.03. DISBURSEMENTS.

Disbursements shall be made only by the State Chief Financial Officer and only when the requests for such disbursements are accompanied by a Department certification that such withdrawals are proper expenditures. Disbursements shall be made directly to the Project Sponsor for reimbursement of the incurred planning and design costs and related services. Disbursements for materials, labor, or services shall be made upon receipt of the following:

(1) A completed disbursement request form signed by the Authorized Representative. Such requests must be accompanied by sufficiently itemized summaries of the materials, labor, or services to identify the nature of the work performed; the cost or charges for such work; and the person providing the service or performing the work; and proof of payment.

(2) A certification signed by the Authorized Representative as to the current estimated costs of the Project; that the materials, labor, or services represented by the invoice have been satisfactorily purchased, performed, or received.

(3) Such other certificates or documents by engineers, attorneys, accountants, contractors, or suppliers as may reasonably be required by the Department.

Requests by the Project Sponsor for disbursements of the planning and design funds shall be made using the Department's disbursement request form. The Department reserves the right to retain 25% of the funds until the information necessary for the Department to prepare the Environmental Information Document as described in Rule 62-552.680, Florida Administrative Code, has been provided.

ARTICLE V - RATES AND USE OF THE UTILITY SYSTEM

5.01. RESERVED.

5.02. NO FREE SERVICE.

The Project Sponsor shall not permit connections to, or furnish any services afforded by, the Utility System without making a charge therefore based on the Project Sponsor's uniform schedule of rates, fees, and charges.

5.03. RESERVED.

5.04. NO COMPETING SERVICE.

The Project Sponsor shall not allow any person to provide any services which would compete with the Utility System so as to adversely affect Gross Revenues.

5.05. MAINTENANCE OF THE UTILITY SYSTEM.

The Project Sponsor shall operate and maintain the Utility System in a proper, sound and economical manner and shall make all necessary repairs, renewals and replacements.

5.06. ADDITIONS AND MODIFICATIONS.

The Project Sponsor may make any additions, modifications or improvements to the Utility System which it deems desirable and which do not materially reduce the operational integrity of any part of the Utility System. All such renewals, replacements, additions, modifications and improvements shall become part of the Utility System.

5.07. COLLECTION OF REVENUES.

The Project Sponsor shall use its best efforts to collect all rates, fees and other charges due to it. The Project Sponsor shall establish liens on premises served by the Utility System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Project Sponsor shall, to the full extent permitted by law, cause to discontinue the services of the

Utility System and use its best efforts to shut off water service furnished to persons who are delinquent beyond customary grace periods in the payment of Utility System rates, fees and other charges.

ARTICLE VI - DEFAULTS AND REMEDIES

6.01. EVENTS OF DEFAULT.

Upon the occurrence of any of the following events (the Events of Default) all obligations on the part of Department to make any further disbursements hereunder shall, if Department elects, terminate. The Department may, at its option, exercise any of its remedies set forth in this Agreement, but Department may make any disbursements or parts of disbursements after the happening of any Event of Default without thereby waiving the right to exercise such remedies and without becoming liable to make any further disbursement:

- (1) Failure to make any Monthly Loan Deposit or to make any installment of the Loan Payment when it is due and such failure shall continue for a period of 15 days.
- (2) Except as provided in Subsection 6.01(1) failure to comply with the provisions of this Agreement, failure in the performance or observance of any of the covenants or actions required by this Agreement or the Suspension of this Agreement by the Department pursuant to Section 8.11 below, and such failure shall continue for a period of 30 days after written notice thereof to the Project Sponsor by the Department.
- (3) Any warranty, representation or other statement by, or on behalf of, the Project Sponsor contained in this Agreement or in any information furnished in compliance with, or in reference to, this Agreement, which is false or misleading, or if Project Sponsor shall fail to keep, observe or perform any of the terms, covenants, representations or warranties contained in this Agreement, the Note, or any other document given in connection with the Loan (provided, that with respect to non-monetary defaults, Department shall give written notice to Project Sponsor, which shall have 30 days to cure any such default), or is unable or unwilling to meet its obligations thereunder.
- (4) An order or decree entered, with the acquiescence of the Project Sponsor, appointing a receiver of any part of the Utility System or Gross Revenues thereof; or if such order or decree, having been entered without the consent or acquiescence of the Project Sponsor, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof.
- (5) Any proceeding instituted, with the acquiescence of the Project Sponsor, for the purpose of effecting a composition between the Project Sponsor and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are payable from Gross Revenues of the Utility System.
- (6) Any bankruptcy, insolvency or other similar proceeding instituted by, or against, the Project Sponsor under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the Project Sponsor, is not dismissed within 60 days after filing.

(7) Any charge is brought alleging violations of any criminal law in the implementation of the Project or the administration of the proceeds from this Loan against one or more officials of the Project Sponsor by a State or Federal law enforcement authority, which charges are not withdrawn or dismissed within 60 days following the filing thereof.

(8) Failure of the Project Sponsor to give immediate written notice of its knowledge of a potential default or an event of default, hereunder, to the Department and such failure shall continue for a period of 30 days.

6.02. REMEDIES.

All rights, remedies, and powers conferred in this Agreement and the transaction documents are cumulative and are not exclusive of any other rights or remedies, and they shall be in addition to every other right, power, and remedy that Department may have, whether specifically granted in this Agreement or any other transaction document, or existing at law, in equity, or by statute. Any and all such rights and remedies may be exercised from time to time and as often and in such order as Department may deem expedient. Upon any of the Events of Default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by, *inter alia*, any of the following remedies:

(1) By mandamus or other proceeding at law or in equity, cause to establish rates and collect fees and charges for use of the Utility System, and to require the Project Sponsor to fulfill this Agreement.

(2) By action or suit in equity, require the Project Sponsor to account for all moneys received from the Department or from the ownership of the Utility System and to account for the receipt, use, application, or disposition of the Pledged Revenues.

(3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department.

(4) By applying to a court of competent jurisdiction, cause to appoint a receiver to manage the Utility System, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under this Agreement.

(5) By certifying to the Auditor General and the Chief Financial Officer delinquency on loan repayments, the Department may intercept the delinquent amount plus six percent, expressed as an annual interest rate, penalty of the amount due to the Department from any unobligated funds due to the Project Sponsor under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution or State law. Penalty interest shall accrue on any amount due and payable beginning on the 30th day following the date upon which payment is due.

(6) By notifying financial market credit rating agencies and potential creditors.

(7) By suing for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.

(8) By accelerating the repayment schedule or increasing the interest rate on the unpaid principal of the Loan to as much as 1.667 times the Loan interest rate.

6.03. DELAY AND WAIVER.

No course of dealing between Department and Project Sponsor, or any failure or delay on the part of Department in exercising any rights or remedies hereunder, shall operate as a waiver of any rights or remedies of Department, and no single or partial exercise of any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder. No delay or omission by the Department to exercise any right or power accruing upon Events of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient. No waiver or any default under this Agreement shall extend to or affect any subsequent Events of Default, whether of the same or different provision of this Agreement, or shall impair consequent rights or remedies.

ARTICLE VII - RESERVED

ARTICLE VIII - GENERAL PROVISIONS

8.01. RESERVED.

8.02. PROJECT RECORDS AND STATEMENTS.

Books, records, reports, engineering documents, contract documents, and papers shall be available to the authorized representatives of the Department for inspection at any reasonable time after the Project Sponsor has received a disbursement and until five years after the Final Amendment date.

8.03. ACCESS TO PROJECT SITE.

The Project Sponsor shall provide access to offices and other sites where Planning and Design Activities or Project work (if financed by this Loan) is ongoing, or has been performed, to authorized representatives of the Department at any reasonable time. The Project Sponsor shall cause its engineers and contractors to provide copies of relevant records and statements for inspection.

8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

The Department may assign any part of its rights under this Agreement after notification to the Project Sponsor. The Project Sponsor shall not assign rights created by this Agreement without the written consent of the Department.

8.05. AMENDMENT OF AGREEMENT.

This Agreement may be amended, except that no amendment shall be permitted which is inconsistent with statutes, rules, regulations, executive orders, or written agreements between the Department and the U.S. Environmental Protection Agency (EPA). A Final Amendment

establishing the final costs financed by this Loan and the actual Loan Service Fee shall be completed after the Department's final inspection of relevant documents and records.

8.06. ABANDONMENT, TERMINATION OR VOLUNTARY CANCELLATION.

Failure of the Project Sponsor to actively prosecute or avail itself of this Loan (including e.g. described in para 1 and 2 below) shall constitute its abrogation and abandonment of the rights hereunder, and the Department may then, upon written notification to the Project Sponsor, suspend or terminate this Agreement.

(1) Failure of the Project Sponsor to draw on the Loan proceeds within eighteen months after the effective date of this Agreement, or by the date set in Section 10.07 to establish the Loan Debt Service Account, whichever date occurs first.

(2) Failure of the Project Sponsor, after the initial Loan draw, to draw any funds under the Loan Agreement for twenty-four months, without approved justification or demonstrable progress on the Project.

Upon a determination of abandonment by the Department, the Loan will be suspended, and the Department will implement administrative close out procedures (in lieu of those in Section 4.02) and provide written notification of Final Unilateral Amendment to the Project Sponsor.

In the event that following the execution of this Agreement, the Project Sponsor decides not to proceed with this Loan, this Agreement can be cancelled by the Project Sponsor, without penalty, if no funds have been disbursed.

8.07. SEVERABILITY CLAUSE.

If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

8.08. SIGNAGE.

The Project Sponsor agrees to comply with signage guidance in order to enhance public awareness of EPA assistance agreements nationwide. A copy of this guidance is listed on the Department's webpage at <https://floridadep.gov/wra/srf/content/state-revolving-fund-resources-and-documents> as "Guidance for Meeting EPA's Signage Requirements".

8.09. PUBLIC RECORDS ACCESS.

(1) The Project Sponsor shall comply with Florida Public Records law under Chapter 119, F.S. Records made or received in conjunction with this Agreement are public records under Florida law, as defined in Section 119.011(12), F.S. The Project Sponsor shall keep and maintain public records required by the Department to perform the services under this Agreement.

(2) This Agreement may be unilaterally canceled by the Department for refusal by the Project Sponsor to either provide to the Department upon request, or to allow inspection and copying of all public records made or received by the Project Sponsor in conjunction with this Agreement and subject to disclosure under Chapter 119, F.S., and Section 24(a), Article I, Florida Constitution.

(3) IF THE PROJECT SPONSOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE PROJECT SPONSOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE DEPARTMENT'S CUSTODIAN OF PUBLIC RECORDS AT (850)245-2118, by email at public.services@dep.state.fl.us, or at the mailing address below:

**Department of Environmental Protection
ATTN: Office of Ombudsman and Public Services
Public Records Request
3900 Commonwealth Blvd, MS 49
Tallahassee, FL 32399**

8.10. SCRUTINIZED COMPANIES.

(1) The Project Sponsor certifies that it and its subcontractors are not on the Scrutinized Companies that Boycott Israel List. Pursuant to Section 287.135, F.S., the Department may immediately terminate this Agreement at its sole option if the Project Sponsor or its subcontractors are found to have submitted a false certification; or if the Project Sponsor, or its subcontractors are placed on the Scrutinized Companies that Boycott Israel List or is engaged in the boycott of Israel during the term of the Agreement.

(2) If this Agreement is for more than one million dollars, the Project Sponsor certifies that it and its subcontractors are also not on the Scrutinized Companies with Activities in Sudan, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged with business operations in Cuba or Syria as identified in Section 287.135, F.S. Pursuant to Section 287.135, F.S., the Department may immediately terminate this Agreement at its sole option if the Project Sponsor, its affiliates, or its subcontractors are found to have submitted a false certification; or if the Project Sponsor, its affiliates, or its subcontractors are placed on the Scrutinized Companies with Activities in Sudan List, or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged with business operations in Cuba or Syria during the term of the Agreement.

(3) The Project Sponsor agrees to observe the above requirements for applicable subcontracts entered into for the performance of work under this Agreement.

(4) As provided in Subsection 287.135(8), F.S., if federal law ceases to authorize these contracting prohibitions then they shall become inoperative.

8.11. SUSPENSION.

The Department may suspend any or all of its obligations to Loan or provide financial accommodation to the Project Sponsor under this Agreement in the following events, as determined by the Department:

- (1) The Project Sponsor abandons or discontinues the Project before its completion,
- (2) The commencement, prosecution, or timely completion of the Project by the Project Sponsor is rendered improbable or the Department has reasonable grounds to be insecure in Project Sponsor's ability to perform, or
- (3) The implementation of the Project is determined to be illegal, or one or more officials of the Project Sponsor in responsible charge of, or influence over, the Project is charged with violating any criminal law in the implementation of the Project or the administration of the proceeds from this Loan.

The Department shall notify the Project Sponsor of any suspension by the Department of its obligations under this Agreement, which suspension shall continue until such time as the event or condition causing such suspension has ceased or been corrected, or the Department has re-instated the Agreement.

Project Sponsor shall have no more than 30 days following notice of suspension hereunder to remove or correct the condition causing suspension. Failure to do so shall constitute a default under this Agreement.

Following suspension of disbursements under this Agreement, the Department may require reasonable assurance of future performance from Project Sponsor prior to re-instating the Loan. Such reasonable assurance may include, but not be limited to, a payment mechanism using two party checks, escrow or obtaining a Performance Bond for the work remaining.

Following suspension, upon failure to cure, correct or provide reasonable assurance of future performance by Project Sponsor, the Department may exercise any remedy available to it by this Agreement or otherwise and shall have no obligation to fund any remaining Loan balance under this Agreement.

8.12. CIVIL RIGHTS.

The Project Sponsor shall comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, which prohibit activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex.

8.13. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.

The Project Sponsor and any contractors/subcontractors are prohibited from obligating or expending any Loan or Principal Forgiveness funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. See Section 889 of Public Law 115-232 (National Defense Authorization Act 2019). Also, see 2 CFR 200.216 and 200.471.

ARTICLE IX – CONTRACTS AND INSURANCE

9.01. CONTRACTS.

(1) The following documentation is required to receive the Department's authorization to award construction contracts:

- (a) Proof of advertising.
- (b) Award recommendation, bid proposal, and bid tabulation (certified by the responsible engineer).
- (c) Certification of compliance with the conditions of the Department's approval of competitively or non-competitively negotiated procurement, if applicable.
- (d) Certification Regarding Disbarment, Suspension, Ineligibility and Voluntary Exclusion.
- (e) Certification by the Authorized Representative that affirmative steps were taken to encourage Disadvantaged Business Enterprises participation in Project construction.
- (f) Current certifications for Disadvantaged Business Enterprises participating in the contract. If the goals as stated in the plans and specifications are not met, documentation of actions taken shall be submitted.
- (g) Certification that the Project Sponsor and contractors are in compliance with labor standards, including prevailing wage rates established for its locality by the DOL under the Davis-Bacon Act for Project construction.

(2) The following must be provided to the Department for professional services contract(s):

- (a) Certification by the Authorized Representative that affirmative steps were taken to encourage Disadvantaged Business Enterprises participation.
- (b) Current certifications for Disadvantaged Business Enterprises participating in the contract.

9.02. SUBMITTAL OF CONTRACT DOCUMENTS.

(1) After the Department's authorization to award construction contracts has been received, the Project Sponsor shall submit the following documents:

- (a) Contractor insurance certifications.
- (b) Executed Contract(s).
- (c) Notices to proceed with construction.

(2) After the Project Sponsor has awarded the professional services contract(s), the Project Sponsor shall submit the following documents:

- (a) Executed Contract(s).
- (b) Professional Services Procurement Certification.

9.03. RESERVED.

ARTICLE X - DETAILS OF FINANCING

10.01. PRINCIPAL AMOUNT OF LOAN.

The total amount awarded is \$547,405. Of that, the estimated amount of Principal Forgiveness is \$268,228. The estimated principal amount of the Loan to be repaid is \$279,177, which consists of \$279,177 to be disbursed to the Project Sponsor and \$0 of Capitalized Interest.

Capitalized Interest is not disbursed to the Project Sponsor, but is amortized via periodic Loan repayments to the Department as if it were actually disbursed. Capitalized Interest is computed at the interest rate, or rates, set for the Loan. It accrues and is compounded annually from the time when disbursements are made until six months before the first Loan Payment is due. Capitalized Interest is estimated prior to establishment of the schedule of actual disbursements.

10.02. LOAN SERVICE FEE.

The Loan Service Fee is estimated as \$10,948 for the Loan amount authorized to date. The fee represents two percent of the Loan amount excluding Capitalized Interest; that is, two percent of \$547,405. The Loan Service Fee is estimated at the time of execution of the loan agreement and shall be revised with any increase or decrease amendment. The Loan Service Fee is based on actual Project costs and will be assessed in the final Loan amendment. The Project Sponsor shall pay the Loan Service Fee with the Loan Payment.

10.03. INTEREST RATE.

The rate of interest on the unpaid principal of the Loan amount specified in Section 10.01 is 0 percent per annum.

10.04. LOAN TERM.

The Loan term shall be 6 months.

10.05. REPAYMENT SCHEDULE.

The Loan Payment shall be computed based upon the principal amount of the Loan less the Principal Forgiveness plus the estimated Loan Service Fee. The Loan Payment amount may be adjusted, by amendment of this Agreement, based upon revised information. After the final disbursement of Loan proceeds, the Loan Payment shall be based upon the actual Project costs, the actual Loan Service Fee and Loan Service Fee Capitalized Interest, if any, and actual dates and amounts of disbursements. Actual Project costs shall be established after the Department's inspection of the completed Project and associated records.

The Loan Payment shall be in the amount of \$290,125. The interest portion of the Loan Payment shall be computed on the unpaid balance of the principal amount of the Loan, which includes Capitalized Interest. Interest also shall be computed on the unpaid balance of the Loan Service Fee. Interest on the unpaid balance shall be computed as of the due date of each Loan Payment.

The Loan Payment shall be received by the Department on or before August 15, 2027 to avoid interest accruing on the loan amount. Funds transfer shall be made by electronic means.

10.06. PROJECT COSTS.

The Project Sponsor and the Department acknowledge that actual Project costs have not been determined as of the effective date of this Agreement. An adjustment may be made due to a reduction in the scope of work proposed for Loan funding as a result of the planning process. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. The final costs shall be established in the final amendment. Changes in costs may also occur as a result of the Project Sponsor's audit or the Department's audit.

The Project Sponsor agrees to the following estimates of the Project costs:

CATEGORY	PROJECT COSTS (\$)
Planning and Design Activities	547,405
Less Principal Forgiveness	(268,228)
SUBTOTAL (Loan Amount)	279,177
Capitalized Interest	0
TOTAL (Loan Principal Amount)	279,177

10.07. SCHEDULE.

All Planning and Design Activities shall be completed no later than the date set forth below.

(1) Invoices submitted for work performed on or after July 12, 2023 may be eligible for reimbursement.

(2) Completion of all Planning and Design Activities for all Project facilities proposed for loan funding no later than February 15, 2027.

(3) The Loan Repayment Escrow Account shall be established and \$290,125 shall be deposited no later than the execution of this Agreement.

(4) The Loan Payment in the amount of \$290,125 shall be due August 15, 2027.

10.08. SPECIAL CONDITIONS.

(1) Prior to execution of this Agreement, the following items must be submitted:

(a) Documentation that the Loan Repayment Escrow Account has been established and provide a copy of the letter restricting withdrawals, as required under item 10.07(3), above; and

(b) A signed contract between the engineering consulting firm and the Project Sponsor with specific details of the planning and design work to be completed; and

(c) A certified copy of the Resolution which authorizes the application and designates an Authorized Representative for signing the application and executing the Loan Agreement, and

(d) A Consultants Competitive Negotiation Act Form.

(2) Prior to disbursement of any funds a draft lead service line inventory and replacement plan must be submitted.

(3) The Project Sponsor agrees by execution of this Agreement to the terms and conditions as required by the Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law and will ensure contracts whether directly entered into with the Project Sponsor or through subcontracts incorporate the required provisions of the law into the Project.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

ARTICLE XI - EXECUTION OF AGREEMENT

This Loan Agreement LS010210 may be executed in two or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this Agreement to be executed on its behalf by the Secretary or Designee and the Project Sponsor has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be as set forth below by the Department.

for
CITY OF GAINESVILLE

Mayor

Attest: I attest to the opinion expressed in Section
2.02, entitled Legal Authorization.

City Clerk
SEAL

City Attorney

for
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Secretary or Designee

Date

EXHIBIT B

FORM ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, dated [], 2026 (the "Agreement") by and between the **CITY OF GAINESVILLE, FLORIDA** (the "Issuer"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, organized and existing under the laws of the United States of America and having its designated corporate trust office in Jacksonville, Florida, together with its successors and assigns (the "Escrow Agent");

WITNESSETH:

WHEREAS, the Issuer is authorized under Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted by the Issuer on September 21, 2017, as amended by the Thirtieth Supplemental Utilities System Revenue Bond Resolution No. 180747 adopted by the Issuer on February 21, 2019, as amended, restated, and supplemented from time to time (the "Master Resolution") and the Act (as defined in the Master Resolution) to issue Subordinated Indebtedness (as defined in the Master Resolution) for any lawful purpose including improvements to the System (as defined in the Master Resolution);

WHEREAS, the Issuer entered into the Drinking Water State Revolving Fund Planning and Design Loan Agreement (LS010210), dated as of [], 2026 (the "Loan Agreement") with the State of Florida Department of Environmental Protection ("DEP") under the State Revolving Fund for project financing pursuant to which DEP made a loan to the Issuer (the "Loan");

WHEREAS, pursuant to Section 3.01 of the Loan Agreement, the Issuer may defease the principal amount of the Loan, without penalty, by making a deposit of sufficient funds into an irrevocable trust with a banking institution or trust company for the sole benefit of DEP; and

WHEREAS, the Escrow Agent has prior to the Issuer and DEP entering into the Loan Agreement, opened the Escrow Fund described in Section 1 of this Agreement; and

WHEREAS, the Issuer intends to defease its payment obligations under the Loan by irrevocably depositing in escrow legally available funds of the Issuer in an amount sufficient to pay the principal of the Loan together with \$10,948 to be paid to the DEP as a service fee described in Section 10.02 of the Loan Agreement (the "Loan Service Fee"); and

WHEREAS, upon deposit in escrow as herein contemplated, legally available funds of the Issuer will be sufficient to pay when due, the outstanding principal amount of the Loan and the Loan Service Fee; and

WHEREAS, because there is no interest on the Loan, no amounts for interest are necessary to be deposited into escrow in order to defease the payment obligations under the Loan; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in said escrow to the retirement of the Loan, it is necessary to enter into this Agreement with the Escrow Agent on behalf of DEP;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, for and in consideration of the mutual covenants herein contained and of the acceptance by the Escrow Agent of the duties hereby

created, and intending to be legally bound hereby, the Issuer hereby agrees with and covenants unto the Escrow Agent, its successors in trust and its assigns forever, as follows:

SECTION 1. Establishment of and Payments from Escrow Fund. The Escrow Agent shall establish an Escrow Fund (the "Escrow Fund") into which shall be deposited \$290,125 of legally available funds of the Issuer in order to retire in full the principal amount of the Loan and the Loan Service Fee.

Moneys on deposit in the Escrow Fund shall be held solely for the benefit of and as security for the Loan and shall be used for no other purpose. None of the Issuer or the Escrow Agent shall have any right or claim to or lien on the amounts deposited in the Escrow Fund.

SECTION 2. Escrow Fund Disbursements. The Escrow Agent is hereby irrevocably authorized and directed to make the payments set forth in Exhibit A hereto, from the Escrow Fund, on the date(s) set forth in Exhibit A, to effect the payment in full of the Loan and the Loan Service Fee. If amounts to be paid to DEP shall be less than the amounts reflected in Exhibit A, DEP shall notify the Escrow Agent in writing of the actual amounts to be paid to DEP at least five business days prior to the date of payment (with a copy of the written notice sent to the Issuer) and any excess on deposit in the Escrow Fund shall be returned to the Issuer and the final payment to the Issuer reflected in Exhibit A shall be adjusted accordingly.

SECTION 3. Irrevocable Escrow Created. The deposit of moneys into the Escrow Fund shall constitute an irrevocable deposit of said moneys for the benefit of DEP and DEP shall have an express lien on all moneys, until used and applied according to this Agreement. Such moneys shall be held in escrow by the Escrow Agent in the Escrow Fund created hereunder for the benefit of DEP as herein provided, and shall be kept separate and distinct from all other funds of the Issuer and the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

SECTION 4. Acceptance of Duties by Escrow Agent. The Escrow Agent accepts and agrees to execute the duties imposed upon it by this Agreement, but only upon the terms and conditions set forth herein. The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, and no implied covenants or obligations should be read into this Agreement against the Escrow Agent. The Escrow Agent agrees to perform such duties only upon and subject to the following expressed terms and conditions:

(a) The Escrow Agent may execute any of the powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees and shall not be answerable for the conduct of the same if appointed with due care hereunder, and shall be entitled to advice of counsel concerning all matters of duties hereof and duties hereunder, and the Issuer shall in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in connection herewith. The Escrow Agent may act upon the opinion or advice of an attorney or accountant selected by it in the exercise of reasonable care or, if selected or retained by the Issuer, approved by the Escrow Agent in the exercise of such care. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

(b) The Escrow Agent shall not be responsible for the recording or re-recording, filing or re-filing of this Agreement, or any supplement or amendment thereto, or the filing of

financing statements, or for the validity of the execution by the Issuer of this Agreement, or of any supplemental agreements or instruments of further assurance.

(c) The Escrow Agent shall not be accountable for the use or application by the Issuer of any of the legally available proceeds or for the use or application of any money paid over by the Escrow Agent in accordance with the provisions of this Agreement.

(d) The Escrow Agent shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of independent counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

(e) The Escrow Agent shall not be required to give any bond or surety in respect of the execution of the said duties and powers or otherwise in respect of the premises.

(f) The permissive right of the Escrow Agent to do things enumerated in this Agreement shall not be construed as a duty and the Escrow Agent shall not be answerable for other than its gross negligence or willful misconduct.

(g) The Escrow Agent may refuse to perform any duty or exercise any right or power which would require it to expend its own funds or risk any liability if it shall reasonably believe that repayment of such funds or adequate indemnity against such risk is not reasonably assured to it.

(h) The Escrow Agent shall not be liable for any indirect, consequential, punitive or special damages, regardless of the form of action and whether or not any such damages were foreseeable or contemplated.

(i) The Escrow Agent shall not be under any duty to give the Escrow Property held by it hereunder any greater degree of care than it gives its own similar property and unless directed by the Issuer, shall not be required to invest any funds held hereunder. Uninvested funds held hereunder shall not earn or accrue interest.

(j) In no event shall the Escrow Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, pandemics, epidemics, recognized public emergencies, quarantine restrictions, nuclear or natural catastrophes or acts of God, interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services, and hacking, cyber-attacks, or other use or infiltration of the Escrow Agent's technological infrastructure exceeding authorized access; it being understood that the Escrow Agent shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights,

obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

The Escrow Agent may resign as such following the giving of thirty (30) days prior written notice to the Issuer. Similarly, the Escrow Agent may be removed and replaced following the giving of thirty (30) days prior written notice to the Escrow Agent by the Issuer. If the Issuer has failed to appoint a successor prior to the expiration of thirty (30) days following receipt of the notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Issuer.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means; provided, however, that the Issuer shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The Issuer understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Issuer shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Issuer and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including, without limitation, the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromised or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder.

SECTION 5. Escrow Agent Fees and Indemnity. The Escrow Agent shall be paid fees and out of pocket expenses (including legal fees and expenses) as set forth in Exhibit B hereto.

SECTION 6. Indemnification of Escrow Agent. The Issuer shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, expenses, obligations, liabilities, losses, damages, injuries (to person, property, or natural resources), penalties, stamp or other similar taxes, actions, suits, judgments, reasonable costs and expenses (including reasonable attorney's fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby, including without limitation all reasonable costs required to be associated with claims for damages to persons or property, and reasonable attorneys' and consultants' fees and expenses and court costs except to the extent caused by the Escrow Agent's gross negligence or willful misconduct. The provisions of this Section 5 shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 7. Investment of Funds. Any moneys in the Escrow Fund shall be invested by the Escrow Agent upon the written direction of the Issuer (such direction to specify the particular investment to be made), if and to the extent then permitted by law, in permitted investments, as described in Exhibit C hereto. The Escrow Agent shall have no liability whatsoever for any loss, fee, tax or other charge incurred in connection with any investment, reinvestment or liquidation of an investment hereunder.

SECTION 8. Termination and Discharge of Agreement. This Agreement shall terminate and be discharged on the date on which all amounts under the Escrow Fund have been disbursed. After the final payment hereunder to DEP shall have been made any excess funds remaining on deposit in the Escrow Fund shall be returned to the Issuer to such account as shall be directed by the Issuer. Notwithstanding anything to the contrary herein, upon notice from DEP to the Escrow Agent that the Loan did not close, all amounts on deposit under this Agreement shall be returned to the Issuer and this Agreement terminated.

SECTION 9. Governing Law. This Agreement shall be construed in accordance with the substantive laws of the State of Florida, without regard to conflicts of laws principles thereof.

IN WITNESS WHEREOF, the Issuer and the Escrow Agent have duly executed this Escrow Deposit Agreement as of the day and year first above written.

CITY OF GAINESVILLE, FLORIDA

By: _____
Chief Executive Officer

Attested and countersigned:

By: _____
Utilities Attorney

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Escrow Agent**

By: _____
Authorized Signatory

[Signature Page to the Escrow Deposit Agreement]

Exhibit A

Payoff Instructions for Loan

Lender/Subaccount	Loan Number	Amount	Payment Date	Purpose
State of Florida Department of Environmental Protection*	LS010210	\$279,177	08/15/2027	Loan Payoff
State of Florida Department of Environmental Protection*	LS010210	\$10,948	08/15/2027	Loan Service Fee
City of Gainesville**	LS010210	Balance in Escrow	08/15/2027	Return of excess

*Assumes principal forgiveness of \$268,228

**Return to Issuer of forgiven portion of loan

Wire Instructions:

State of Florida Department of Environmental Protection:

Bank Name: Wells Fargo Bank, N.A.
1 Independent Drive
Jacksonville, Florida 32202

ABA (wire transfers): [_____]

ABA (ACH transfers): [_____]

Account: [_____]
Account Name: STATE OF FLORIDA DEPARTMENT OF FINANCIAL SERVICES
FL DEPT OF ENVIRONMENTAL PROTECTION
LOCATION 3700000

City of Gainesville, Florida:

To be provided at time of disbursement from the Issuer

Exhibit B

Escrow Agent Fees and Expenses

Exhibit C

Permitted Investments

