

**LAKE WALES COMMUNITY REDEVELOPMENT AGENCY**

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**REDEVELOPMENT REVENUE BONDS, SERIES 2023**

**BOND RESOLUTION**

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**ADOPTED DECEMBER 20, 2022**

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## RESOLUTION CRA 2022-02

A RESOLUTION OF THE LAKE WALES COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF THE NOT TO EXCEED \$18,500,000 LAKE WALES COMMUNITY REDEVELOPMENT AGENCY REDEVELOPMENT REVENUE BONDS, SERIES 2023, IN ACCORDANCE WITH RESOLUTION 2021-03 OF THE AGENCY AND RESOLUTION NO. 2021-24 OF THE CITY OF LAKE WALES, FLORIDA, AS SUPPLEMENTED, TO FINANCE OR REFINANCE THE COST OF REDEVELOPMENT PROJECTS WITHIN THE COMMUNITY REDEVELOPMENT AREA; PROVIDING THAT THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE FROM CERTAIN TAX INCREMENT REVENUES WHICH DERIVE FROM THE REDEVELOPMENT AREA AND NON-AD VALOREM REVENUES OF THE CITY OF LAKE WALES, FLORIDA BUDGETED AND APPROPRIATED AS PROVIDED HEREIN AND IN RESOLUTION NO. 2021-24; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE BONDS; AUTHORIZING A DELEGATED NEGOTIATED SALE OF THE BONDS AND THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT IN CONNECTION THEREWITH; DELEGATING CERTAIN AUTHORITY TO THE CHAIRMAN AND VICE CHAIRMAN OF THE ISSUER FOR THE APPROVAL OF THE FINAL PRICING TERMS AND DETAILS OF SAID BONDS; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE AND OTHER RELATED DOCUMENTS IN CONNECTION WITH ISSUANCE OF, AND SECURITY FOR, THE BONDS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

**BE IT RESOLVED BY THE GOVERNING BOARD OF THE LAKE WALES COMMUNITY REDEVELOPMENT AGENCY, AS FOLLOWS:**

### ARTICLE I

#### GENERAL

**SECTION 1.01. DEFINITIONS.** All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the City Resolution as defined herein. When used in this Resolution, the following terms shall have the following meanings, unless the

context clearly otherwise requires:

"Act" shall mean Chapter 163, Part III, Florida Statutes, as amended, this Resolution, the City Resolution, the Interlocal Agreement and other applicable provisions of law.

"**Amortization Installments**" shall mean the amounts, if any, designated as such pursuant to the Purchase Contract and established with respect to Term Bonds.

"**Annual Debt Service**" shall mean, at any time, the aggregate amount in the then current Fiscal Year of (1) interest required to be paid on the Outstanding Debt during such Fiscal Year, except to the extent that such interest is to be paid from deposits in the Interest Account made from Bond proceeds and (2) principal (including any Amortization Installments) of Outstanding Debt maturing in such Fiscal Year.

"**Authorized Denominations**" means \$5,000 and integral increments thereof.

"**Authorized Investments**" shall mean any of the following, if and to the extent that the same are at the time legal for investment of funds of the Issuer and the City:

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)  
Direct obligations or fully guaranteed certificates of beneficial ownership
2. Farmers Home Administration (FmHA)  
Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (FHA)
5. General Services Administration  
Participation certificates
6. Government National Mortgage Association (GNMA or "Ginnie Mae")  
GNMA - guaranteed mortgage-backed bonds  
GNMA - guaranteed pass-through obligations

7. U.S. Maritime Administration  
Guaranteed Title XI financing
  
8. U.S. Department of Housing and Urban Development (HUD)  
Project Notes  
Local Issuer Bonds  
New Communities Debentures - U.S. government guaranteed debentures  
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System  
Senior debt obligations
  
2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")  
Participation Certificates  
Senior debt obligations
  
3. Federal National Mortgage Association (FNMA or "Fannie Mae")  
Mortgage-backed securities and senior debt obligations
  
4. Resolution Funding Corp. (REFCORP) obligations
  
5. Farm Credit System  
Consolidated systemwide bonds and notes

D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard and Poor's Corporation ("S&P") S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's Investors Services ("Moody's") rated Aaa, Aa1 or Aa2.

E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

G. Investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements.

H. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

J. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

K. Repurchase Agreements for 30 days or less must follow the following criteria.

Repurchase Agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

1. Repos must be between the municipal entity and a dealer bank or securities firm

a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's, or

b. Banks rated "A" or above by Standard & Poor's and Moody's.

2. The written repo contract must include the following:

a. Securities which are acceptable for transfer are:

(i) Direct U.S. governments, or

(ii) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

b. The term of the repo may be up to 30 days

c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

d. Valuation of Collateral

(i) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

(ii) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the Issuer and the City to the effect that the repo meets guidelines under state law for legal investment of public funds.

L. Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, or any similar common trust fund which is established pursuant to law as a legal depository of public moneys and for which the State Board of Administration acts as custodian.

"**Authorized Officer**" shall mean (i) with respect to the Issuer, the Chairman, Vice-Chairman, or their designee(s) and (ii) with respect to the City, the Mayor, the City Clerk or their designee(s), and when used in reference to any act or document also means any other person authorized by resolution of the Issuer or the City, as applicable, to perform such act or sign such document.

"**Board**" shall mean the governing body of the Issuer.

"**Bond Counsel**" shall mean Bryant Miller Olive P.A., 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**" or "**Holder**" or "**holder of Bonds**" or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"**Bonds**" or "**Series 2023 Bonds**" shall mean the Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Series 2023 issued pursuant to this Resolution.

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

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

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

"**City Commission**" shall mean the City Commission of the City of Lake Wales, Florida, the governing body of the City.

"**City Resolution**" shall mean Resolution 2021-24 adopted by the City Commission on September 19, 2021, approving the issuance of the Series 2023 Bonds by the Issuer, the acquisition and construction of the Project, the pledge of the Tax Increment Revenues to the payment of debt service on the Series 2023 Bonds and the execution and delivery of the Interlocal Agreement.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the applicable regulations and rules thereunder in effect or proposed.

"**Construction Fund**" shall mean the Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Series 2023 Construction Fund established pursuant to Section 4.04 hereof.

"**Cost**" shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer; (3) costs of land and interests therein and the cost of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations during the period of construction and for a reasonable period subsequent to completion of construction as the Issuer shall determine; (6) architectural, engineering, legal and other consultant fees and expenses; (7) costs and expenses of the financing incurred, including fees and expenses of any Paying Agent, Registrar or depository; (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any interim or temporary indebtedness of the Issuer or the City incurred for such Project; (9) costs of machinery, equipment, supplies and spare parts required by the Issuer for the commencement of operation; and (10) any other costs properly attributable to such construction or acquisition or to the issuance of the Bonds, as determined by generally accepted accounting principles applicable, and shall include reimbursement to the Issuer or the City for any such items of Cost paid by the Issuer or the City prior to the issuance of the Bonds or other obligations. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"**Debt**" of the Issuer means at any date (without duplication), obligations of the Issuer payable in whole or in part from the Tax Increment Revenues that is outstanding for purposes of the instruments pursuant to which it was issued, including the Bonds and the Series 2007 Note.

**"Debt Service Account"** shall mean the separate account in the Debt Service Fund established pursuant to Section 4.05 hereof.

**"Debt Service Fund"** shall mean the Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Debt Service Fund established pursuant to Section 4.05 hereof.

**"Federal Securities"** shall mean non-callable direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury) or non-callable obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

**"Fiscal Year"** shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

**"Interest Date"** or **"interest payment date"** shall be March 1 and September 1 of each year, commencing September 1, 2023 (or such earlier or later date as determined in accordance with the terms of the Purchase Contract), or if such day is not a Business Day, the next succeeding Business Day.

**"Interlocal Agreement"** shall mean the Interlocal Agreement between the Issuer and the City dated September 13, 2021.

**"Issuer"** shall mean the Lake Wales Community Redevelopment Agency.

**"Maximum Annual Debt Service"** shall mean the highest Annual Debt Service on the Bonds or Debt, as the case may be, occurring in the Fiscal Year or any subsequent Fiscal Year in which such calculation is made.

**"Mayor"** shall mean the Mayor of the City and in his or her absence or unavailability, the Mayor Pro Tem of the City and such other person or persons as may be duly assigned to act on his or her behalf.

**"Municipal Bond Insurance Policy"** means the financial guaranty insurance policy or municipal bond insurance policy, if any, issued by the Series 2023 Insurer guaranteeing the scheduled payment, when due, of the principal and interest represented by all or a portion of the Series 2023 Bonds as provided therein.

**"Non-Ad Valorem Revenues"** shall have the meaning assigned such term in the City Resolution.

**"Outstanding,"** when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in

exchange for another Bond or other Bonds under Sections 2.06, 2.07 and 2.08 hereof, and (3) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity.

**"Paying Agent"** shall mean the paying agent appointed by the Issuer for the Bonds and its successor or assigns, if any. The Paying Agent initially shall be U.S Bank National Association, Jacksonville, Florida.

**"Person"** shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

**"Pledged Revenues"** shall mean (1) the Tax Increment Revenues, (2) Non-Ad Valorem Revenues provided by the City to the Issuer pursuant to the Interlocal Agreement or the City Resolution and (3) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder except for the Rebate Account.

**"Prerefunded Obligations"** shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (A) not callable prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund held by a fiduciary consisting only of cash or Federal Securities, secured in substantially the manner set forth in Section 8.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities, which have been deposited in such fund along with any cash on deposit in such fund are sufficient, as verified by an independent certified public accountant or other expert in such matters, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above and are not available to satisfy any other claims, including those against the fiduciary holding the same, and (4) which are rated in the highest rating category (without regard to gradations, such as "+" or "-" or "1, 2 or 3" of such categories) of one of the Rating Agencies.

**"Principal Payment Date"** shall mean September 1 of each year, commencing as determined in accordance with the Purchase Contract.

**"Project"** shall mean the creation, acquisition, construction and equipping of various capital improvements and programs within the Redevelopment Area that are approved by the

Redevelopment Plan, as may be amended from time to time. A general description of the Project is provided in Exhibit A attached hereto.

**"Purchase Contract"** shall mean the Purchase Contract to be executed between the Issuer and the Underwriter in accordance with Section 2.01(B) hereof, which Purchase Contract shall contain the final pricing terms of the Bonds, the substantial form of which is attached hereto as Exhibit B.

**"Rating Agencies"** means, as applicable, Fitch, Inc., Moody's Investors, Inc. and S&P Global Ratings.

**"Rebate Account"** shall mean the separate account in the Debt Service Fund established pursuant to Section 4.05 hereof.

**"Redemption Price"** shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

**"Redevelopment Area"** shall mean, collectively, the City's community redevelopment area including any subareas or districts thereof as established, modified and/or expanded by ordinances and resolutions of the City Commission adopted from time to time, including Ordinance No. 87-11 enacted on June 30, 1987, as amended (describing the subarea or district referred to in the Redevelopment Plan as "Area 1"), Resolution 99-02 adopted on May 4, 1999, as amended (describing the subarea or district referred to in the Redevelopment Plan as "Area 2"), and Ordinance 90-05 enacted on June 19, 1990, as amended (describing the subarea or district referred to in the Redevelopment Plan as "Area 3").

**"Redevelopment Plan"** shall mean the Lake Wales Community Redevelopment Plan approved and adopted by the City Commission pursuant to its Resolution 99-06 adopted on June 1, 1999, as amended from time to time and particularly as amended by Resolution 2002-03 adopted on May 7, 2002, Resolution 2003-26 adopted on September 2, 2003, Resolution 2006-04 adopted on March 7, 2006, Resolution 2007-14 adopted on June 19, 2007, Resolution 2018-12 adopted on May 15, 2018, and Resolution 2021-22 adopted on September 19, 2021.

**"Redevelopment Trust Fund"** shall mean the community redevelopment trust fund established by Ordinance No. 87-8 enacted by the City on July 2, 1985, as amended and supplemented.

**"Refunding Securities"** shall mean Federal Securities and Prerefunded Obligations.

**"Registrar"** shall mean the bond registrar appointed by the Issuer for the Bonds and its successor or assigns, if any. The Registrar shall initially be U.S. Bank National Association, Jacksonville, Florida.

**"Resolution"** shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

**"Serial Bonds"** shall mean all of the Bonds other than the Term Bonds.

**"Series 2007 Note"** shall mean the Issuer's Redevelopment Revenue Note, Series 2007, issued on December 24, 2007, as amended by the First Amendment to Redevelopment Revenue Note, Series 2007, dated June 7, 2018.

**"Series 2023 Insurer"** means the municipal bond insurance company issuing the Municipal Bond Insurance Policy, if any, approved by the Chairman or Vice Chairman, or their designees in accordance with Section 9.04 hereof.

**"State"** shall mean the State of Florida.

**"Supplemental Resolution"** shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01 or 7.02 hereof.

**"Tax Increment Revenues"** shall mean the revenues received by the Issuer which derive from the Redevelopment Area and which represent the tax increment paid into the Redevelopment Trust Fund.

**"Term Bonds"** shall mean those Bonds which shall be designated as Term Bonds in the Purchase Contract.

**"Underwriter"** shall mean Raymond James & Associates, Inc., and other underwriters, if any, named in the Purchase Contract.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

**SECTION 1.02. AUTHORITY FOR RESOLUTION.** This Resolution supplements Resolution 2021-03 of the Issuer and is adopted pursuant to the provisions of the Act. The Issuer has ascertained and hereby determines that adoption of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the Issuer in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the Issuer herein exercised are in each

case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the Issuer.

**SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT.** In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution and the City Resolution, which is hereby incorporated herein by reference, shall be a part of the contract of the Issuer with the Holders of the Bonds and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds. The pledges made in this Resolution and the City Resolution and the provisions, covenants and agreements herein and therein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

**SECTION 1.04. FINDINGS.** It is hereby ascertained, determined and declared:

(A) Pursuant to the City Resolution, the City has previously authorized the validation and issuance by the Issuer of Debt in the principal amount of not to exceed \$18,500,000, referred to herein as the Bonds.

(B) The authority of the Issuer to issue the Bonds was validated by Final Judgment of the Circuit Court of the Tenth Judicial Circuit of the State of Florida in and for Polk County, Florida on January 24, 2022 (the "Validation Judgment") and the time for appeal of such Validation Judgment has passed with no appeal being filed.

(C) The Issuer deems it desirable and in its best interest to issue the Bonds to finance acquisition and construction of the Project.

(D) The most efficient and cost-effective method of acquiring and constructing the Project and financing the costs thereof on a long-term basis is by the issuance of the Bonds secured by the Pledged Revenues in the manner provided herein.

(E) The principal of and interest on the Bonds shall be payable from the Tax Increment Revenues on parity and equal status with all Debt, including the Series 2007 Note, and from Non-Ad Valorem Revenues budgeted and appropriated therefor as provided in the City Resolution. Neither the Issuer, the City, nor the State of Florida or any political subdivision thereof or governmental authority or body therein, shall ever be required to levy ad valorem taxes to pay the principal of and interest on the Bonds and the Bonds shall not constitute a lien upon the Project, or upon any properties owned by or situated within the Issuer or the City, except as provided herein with respect to the Pledged Revenues. The Issuer does not have ad valorem taxing authority.

(F) Due to the potential volatility of the market for tax exempt obligations such as the Bonds and the complexity of the transactions relating to such Bonds and the Pledged Revenues, it is in the best interest of the Board to sell the Bonds pursuant to a delegated negotiated sale, allowing the Board to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Board to obtain the best possible price and interest rate for the Bonds, subject in all respects to satisfaction of the conditions set forth in Section 2.01(B) hereof.

(G) That it is necessary and appropriate that the Issuer determine certain parameters for the terms and details of the Bonds and to delegate certain authority to each Authorized Officer of the Issuer for the award of the Bonds and the approval of the terms of the Bonds in accordance with the provisions of the Purchase Contract.

**SECTION 1.05. PROJECT.** The Board hereby authorizes and approves the acquisition and construction of the Project.

## ARTICLE II

### AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

**SECTION 2.01. AUTHORIZATION AND DESCRIPTION OF THE BONDS.**

(A) In accordance with the terms of this Resolution, a Series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized in the aggregate principal amount of not exceeding \$18,500,000 for the principal purpose of financing the Costs of the Project. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Series 2023".

The aggregate principal amount of the Bonds to be issued pursuant to this Resolution shall be determined by an Authorized Officer of the Issuer provided such aggregate principal amount does not exceed \$18,500,000. The Bonds shall be dated as of their date of delivery or such other date as an Authorized Officer of the Issuer, may determine, shall be issued in the form of fully registered Bonds in Authorized Denominations, shall be numbered consecutively from one upward in order of maturity preceded by the letter "R," shall bear interest from their date of delivery, payable semi-annually, on each Interest Date, commencing on September 1, 20\_\_, or such other date as may be determined by an Authorized Officer of the Issuer in accordance with the provisions hereof and of the Purchase Contract.

Interest on the Bonds shall be payable by check or draft of U.S Bank National Association, Jacksonville, Florida, as Paying Agent, made payable and mailed to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a Business Day) of the calendar month next preceding the applicable Interest Date, or, at the request of such Holder, by bank wire transfer to the account of such Holder. Principal of the Bonds is payable to the Holder upon presentation, when due,

at the designated corporate trust office of U.S Bank National Association, Jacksonville, Florida, as Paying Agent. The principal of, redemption premium, if any, and interest on the Bonds are payable in lawful money of the United States of America.

The Bonds shall bear interest at such rates and prices or yields, shall mature on September 1 of each of the years and in the principal amounts corresponding to such years, and shall have such redemption provisions as set forth herein or in the Purchase Contract. The final maturity of the Bonds shall be no later than September 30, 2051. All of the final pricing terms of the Bonds shall be included in the Purchase Contract.

(B) Subject to full satisfaction of the conditions set forth in this Section 2.01(B), the Board hereby authorizes a delegated negotiated sale of the Bonds to the Underwriter in accordance with the terms of the Purchase Contract to be dated the date of sale of the Bonds and to be substantially in the form attached hereto as Exhibit B, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by an Authorized Officer of the Issuer in accordance with the provisions of this Section 2.01(B), the execution thereof being deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in this Section 2.01(B). The Purchase Contract shall not be executed by an Authorized Officer of the Issuer until such time as all of the following conditions have been satisfied:

(1) Receipt by an Authorized Officer of the Issuer of a written offer to purchase the Bonds by the Underwriter substantially in the form of the Purchase Contract, said offer to provide for, among other things, (i) the issuance of not exceeding \$18,500,000 initial aggregate principal amount of Bonds, (ii) an underwriting discount (including management fee and all expenses) not in excess of 0.50% of the initial par amount of the Bonds, (iii) a true interest cost of not more than 5.50% per annum, and (iv) the maturities of the Bonds with the final maturity no later than September 30, 2051.

(2) Receipt by an Authorized Officer of the Issuer from the Underwriter of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes and substantially in the forms contained in the Purchase Contract.

**SECTION 2.02. APPLICATION OF BOND PROCEEDS.** The proceeds derived from the sale of the Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Bonds to the Underwriter, be deposited by the Issuer in the Construction Fund and shall be used to pay the Costs of the Project, including Costs related to the issuance of Bonds.

**SECTION 2.03. EXECUTION OF BONDS.** The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of an Authorized Officer of the Board. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed have been actually sold and delivered, such Bonds may nevertheless be

sold and delivered as herein provided and may be issued as if the person who such Bonds had not ceased to hold such office. Any Bond may be signed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

**SECTION 2.04. AUTHENTICATION.** No Bond shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.09 hereof.

**SECTION 2.05. TEMPORARY BONDS.** Until definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 2.03, and deliver, upon authentication by the Registrar pursuant to Section 2.04 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by subsequent resolution and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

**SECTION 2.06. BONDS MUTILATED, DESTROYED, STOLEN OR LOST.** In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Bonds shall have matured or be

about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.06 shall constitute original contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights granted hereunder to the same extent as all other Bonds issued hereunder.

**SECTION 2.07. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER.** Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other Authorized Denominations.

The Bonds shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

The transfer of any Bond shall be registered only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the registration or transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, forthwith (A) following the fifteenth day prior to an interest payment date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds of such Series; and (C) at any other time as reasonably requested by

the Paying Agent of such Series, certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or the transfer of Bonds shall be registered, the Issuer shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds by an Authorized Officer of the Board for purposes of exchanging, replacing or registering the transfer of Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or registration of transfer shall be held by the Registrar in safekeeping until directed by the Issuer to be canceled by the Registrar. For every such exchange or registration of transfer, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Issuer and the Registrar may, but shall not be obligated to, make any such exchange or transfer of Bonds during the fifteen (15) days next preceding an Interest Date on the Bonds or, in the case of any proposed redemption of Bonds, then, for the Bonds subject to redemption, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

**SECTION 2.08. FULL BOOK ENTRY FOR BONDS.** Notwithstanding the provisions set forth in Section 2.07 hereof, the Bonds shall be initially issued in the form of a separate single certificated fully registered bond certificate for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). All of the Outstanding Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. As long as the Bonds shall be registered in the name of Cede & Co., all payments of principal on the Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Bonds, upon presentation of the Bonds to be paid, to the Paying Agent.

With respect to the Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (the "Participants"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Bonds, (B) the delivery to any Participant or any other Person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books

kept by the Registrar, of any amount with respect to principal of, redemption premium, if any, or interest on the Bonds. The Issuer, the Registrar and the Paying Agent shall treat and consider the Person in whose name each Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Bond for the purpose of payment of principal, redemption premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, redemption premium, if any, and interest on the Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal, redemption premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, redemption premium, if any, and interest pursuant to the provisions of this Resolution. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in Section 2.07 with respect to transfers during the 15 days next preceding an Interest Date or mailing of notice of redemption, the words "Cede & Co." shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer that such book-entry only system is burdensome or undesirable to the Issuer and compliance by the Issuer of all applicable policies and procedures of DTC regarding discontinuance of the book entry registration system, the Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions of this Resolution. In such event, the Issuer shall issue, and the Registrar shall authenticate, transfer and exchange the Bonds of like principal amount and maturity, in Authorized Denominations to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Letter of Representations previously executed by the Issuer and delivered to DTC shall apply to the payment of principal of and interest on the Bonds.

**SECTION 2.09. FORM OF BONDS.** The text of the Bonds shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by an Authorized Officer of the Board prior to the

issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

FORM OF BONDS

No. R-1

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
LAKE WALES COMMUNITY REDEVELOPMENT AGENCY  
REDEVELOPMENT REVENUE BONDS,  
SERIES 2023

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP Number</u>
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REGISTERED HOLDER:

PRINCIPAL AMOUNT:

**KNOW ALL MEN BY THESE PRESENTS**, that the Lake Wales Community Redevelopment Agency, a Community Redevelopment Agency and dependent special district of the City of Lake Wales, Florida (the "City"), for value received, hereby promises to pay, solely from the funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount, from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, on March 1 and September 1 of each year, commencing September 1, 20\_\_ (unless such date is not a Business Day, in which case the next succeeding Business Day) until such Principal Amount shall have been paid in full, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such principal and interest and the premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount and the premium, if any, on this Bond, are payable, upon presentation when due at the designated corporate trust office of \_\_\_\_\_, \_\_\_\_\_, Florida, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by \_\_\_\_\_, \_\_\_\_\_, Florida, as Registrar, at the close of business on the

date which shall be the fifteenth day (whether or not a Business Day) next preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the request of such Registered Holder, by bank wire transfer for the account of such Holder. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"), issued for the purpose of providing moneys to finance the costs of acquisition and construction of certain capital improvements in the Redevelopment Area (as defined in the hereinafter defined Resolution), under the authority of and in full compliance with the Act (as defined in the hereinafter defined Resolution) including a Bond Resolution duly adopted by the Governing Board of the Issuer on \_\_\_\_\_, 2022 (the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable from and secured by a pledge of and lien upon (1) the Tax Increment Revenues (as defined in the Resolution) on parity and equal status with the Debt, including the Series 2007 Note (each as defined in the Resolution) as to the lien on, and source of and security for the payments due thereunder from the Tax Increment Revenues, (2) Non-Ad Valorem Revenues provided by the City pursuant to the Interlocal Agreement or the City Resolution (as such terms are defined in the Resolution), and (3) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Revenues").

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS BOND THAT THE FULL FAITH AND CREDIT OF THE ISSUER OR THE CITY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR ISSUER THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS BOND AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE CITY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR ISSUER THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. THIS BOND AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED REVENUES. THE ISSUER MAY ISSUE ADDITIONAL OBLIGATIONS ON PARITY WITH THE BONDS IN ACCORDANCE WITH THE TERMS OF THE RESOLUTION.

The Issuer has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Resolution, an agent will hold this Bond on behalf of the beneficial owner thereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owner of this Bond shall be deemed to have agreed to such arrangement.

This Bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Bonds are issuable in the form of fully registered Bonds in Authorized Denominations, not exceeding the aggregate principal amount of the Bonds. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer shall not be obligated to make any exchange or transfer of the Bonds during the 15 days next preceding an interest payment date or, in the case of any proposed redemption of the Bonds, then, for the Bonds subject to such redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption.

(INSERT REDEMPTION PROVISIONS)

Redemption of this Bond under the preceding paragraphs shall be made as provided in the Resolution upon notice given by first class mail sent at least 30 days prior to the redemption date to the Registered Holder hereof at the address shown on the registration books maintained by the Registrar; provided, however, that failure to mail notice to the Registered Holder hereof, or any defect therein, shall not affect the validity of the proceedings for redemption of other Bonds as to which no such failure or defect has occurred. In the event that less than the full principal amount hereof shall have been called for redemption, the Registered Holder hereof shall surrender this Bond in exchange for one or more Bonds in an aggregate principal amount equal to the unredeemed portion of principal, as provided in the Resolution.

As long as the book-entry only system is used for determining beneficial ownership of the Bonds, notice of redemption will only be sent to Cede & Co. Cede & Co. will be responsible for notifying the DTC Participants, who will in turn be responsible for notifying the beneficial owners of the Bonds. Any failure of Cede & Co. to notify any DTC Participant, or of any DTC Participant to notify the beneficial owner of any such notice, will not affect the validity of the redemption of the Bonds.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Issuer.

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

and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

Neither the members of the City Commission or the Governing Board of the Issuer nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

**IN WITNESS WHEREOF**, the Lake Wales Community Redevelopment Agency has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Chairman, all as of the Date of Original Issue.

**LAKE WALES COMMUNITY  
REDEVELOPMENT AGENCY**

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Chairman

ATTEST:

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City Clerk

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds of the Issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

\_\_\_\_\_

\_\_\_\_\_, as registrar

By: \_\_\_\_\_  
Authorized Signatory

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto

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Insert Social Security or Other Identifying Number of Assignee

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(Name and Address of Assignee)

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the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_  
\_\_\_\_\_, as attorneys to register the transfer of the said Bond on the  
books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

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**NOTICE:** Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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**NOTICE:** The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- \_\_\_\_\_  
(Cust.)

Custodian for \_\_\_\_\_  
under Uniform Transfers to Minors Act of \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in list above.

## ARTICLE III

### REDEMPTION OF BONDS

**SECTION 3.01. PRIVILEGE OF REDEMPTION.** (A) The terms of this Article III shall apply to redemption of all Outstanding Bonds.

(B) The Bonds shall be subject to such optional and mandatory sinking fund redemption provisions as set forth in the Purchase Contract and the Official Statement (referred to in Section 9.01(B) hereof).

**SECTION 3.02. SELECTION OF BONDS TO BE REDEEMED.** The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than 45 days and not less than 35 days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

**SECTION 3.03. NOTICE OF REDEMPTION.** Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Issuer, and (A) shall be filed with the Paying Agent of such Bonds, and (B) shall be mailed first class, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice. Failure to mail such notice to the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Bonds.

Each notice of redemption shall state: (1) the CUSIP numbers and any other distinguishing number or letter of all Bonds being redeemed, (2) the original issue date of such Bonds, (3) the maturity date and rate of interest borne by each Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if

less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the Issuer for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

The Issuer may provide that a redemption may be contingent upon the occurrence of certain conditions and that if such conditions do not occur the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Bondholders not later than three business days prior to the date of redemption.

**SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS.** Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of any Authorized Denomination, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

**SECTION 3.05. PAYMENT OF REDEEMED BONDS.** Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

## **ARTICLE IV**

### **SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF**

**SECTION 4.01. BONDS NOT TO BE GENERAL OBLIGATION INDEBTEDNESS OF ISSUER OR CITY.** The Bonds shall not be or constitute general obligations or indebtedness of the Issuer or the City as "bonds" within the meaning of any

constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Revenues in accordance with and to the extent set forth in this Resolution and the Interlocal Agreement. No Holder of any Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bonds, or be entitled to payment of such Bonds from any moneys except from the Pledged Revenues in accordance herewith.

**SECTION 4.02. SECURITY FOR BONDS; PLEDGE OF PLEDGED REVENUES.**

Except as otherwise provided herein, the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably only by a pledge of and lien upon the Pledged Revenues on parity and equal status with the Debt, including the Series 2007 Note as to the lien on, and source of and security for the payments due thereunder from the Tax Increment Revenues. The Issuer does hereby irrevocably pledge the Pledged Revenues to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof. The Pledged Revenues shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having any claims of any kind in tort, contract or otherwise against the Issuer. The Issuer intends to pay debt service on the Bonds from the Tax Increment Revenues and, if such funds are insufficient, from Non-Ad Valorem Revenues provided by the City in accordance with the terms of the City Resolution and the Interlocal Agreement.

**SECTION 4.03. ADDITIONAL DEBT.** The Issuer shall not incur additional Debt secured by Tax Increment Revenues on parity with the Bonds unless an Authorized Officer certifies that the Maximum Annual Debt Service coverage for both the Bonds and the parity Debt (calculated on the basis of a year that ends on September 30) exceeds 1.5:1.0. For purposes of this calculation, the numerator shall be calculated based upon the last full Fiscal Year of the Issuer which has been audited by an independent certified public accountant, and the denominator shall be calculated based upon the Maximum Annual Debt Service of all Issuer Debt secured by Tax Increment Revenues including the proposed debt service. The Issuer may not incur Debt with a lien on Tax Increment Revenues which is senior to the lien of the Bondholders. The Issuer may incur debt with a lien on Tax Increment Revenues which is junior and subordinate to the lien of the Bondholders if such debt expressly states as much.

**SECTION 4.04. CONSTRUCTION FUND.** The Issuer covenants and agrees to establish a special fund to be known as the "Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Series 2023 Construction Fund," which shall be used only for payment of the Cost of the Project. Moneys in the Construction Fund, until applied in payment of any item of the Cost of a Project in the manner hereinafter provided, shall be held in trust by the Issuer and shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The Issuer covenants that the acquisition, construction and installation of the Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the Construction Fund to pay the Cost of a Project.

Notwithstanding any of the other provisions of this Section 4.04, to the extent that other moneys are not available therefor, amounts in an account of the Construction Fund shall be applied to the payment of principal and interest on such Bonds when due.

The date of completion of acquisition and construction of the Project shall be filed by an Authorized Officer with the Issuer and the City. Promptly after the date of the completion of the Project, and after paying or making provisions for the payment of all unpaid items of the Cost of such Project, the Issuer shall use any excess funds to prepay principal and interest amounts due on the Bonds.

**SECTION 4.05. FUNDS AND ACCOUNTS.** The Issuer covenants and agrees to establish a special fund to be known as the "Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Series 2023 Debt Service Fund." The Issuer shall maintain in the Debt Service Fund two accounts: the "Rebate Account" and the "Debt Service Account."

**SECTION 4.06. DEBT SERVICE ACCOUNT.** Beginning on the 25<sup>th</sup> day of the month following the month in which the Bonds are issued and on the 25<sup>th</sup> day of each month thereafter, all unencumbered amounts on deposit in the Redevelopment Trust Fund shall be transferred to the Debt Service Account until such time as the principal and interest coming due on the next two (2) Interest Dates has been fully funded in the Debt Service Account. Thereafter, commencing on each September 25, all unencumbered amounts on deposit in the Redevelopment Trust Fund shall be transferred to the Debt Service Account until such time as the principal and interest coming due on the next two (2) Interest Dates has been fully funded in the Debt Service Account.

At least three Business Days prior to each Interest Date, the Issuer shall deposit into the Debt Service Account a sufficient amount of the Pledged Revenues to pay the accrued interest and principal payment (including any Amortization Installment) due on such Interest Date that is not already on deposit therein. In the event the Tax Increment Revenues available to the Issuer on such date shall be insufficient for such purpose, the Issuer shall immediately notify the City and request the amount of any shortfall to be funded by the City on or before the applicable Interest Date in accordance with the terms of the Interlocal Agreement.

**SECTION 4.07. REBATE ACCOUNT.** Amounts on deposit in the Rebate Account shall be held in trust by the Issuer and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Issuer) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. The Issuer agrees to undertake all actions required of it in its arbitrage certificate related to the Bonds, including, but not limited to:

(A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Account;

(B) depositing the amount determined in clause (A) above into the Rebate Account;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Account and any other legally available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(D) keeping such records of the determinations made pursuant to this Section 4.07 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

The provisions of the above-described arbitrage certificate may be amended without the consent of any Holder from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

**SECTION 4.08. INVESTMENTS.** Moneys on deposit in the Construction Fund and the Debt Service Account shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund and the Debt Service Account may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such Fund or Account. All investments shall be valued at amortized cost.

Any and all income received by the Issuer from the investment of moneys in the Construction Fund and the Debt Service Account shall be retained in such Fund or Account.

Nothing contained in this Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

**SECTION 4.09. SEPARATE ACCOUNTS.** The moneys required to be accounted for in each of the foregoing funds, accounts and subaccounts established herein may be deposited in a single, non-exclusive bank account, and funds allocated to the various funds, accounts and subaccounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as herein provided.

The designation and establishment of the various funds, accounts and subaccounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

## ARTICLE V

### GENERAL COVENANTS OF ISSUER

**SECTION 5.01. BOOKS AND RECORDS.** The Issuer will keep books and records of the receipt of the Tax Increment Revenues in accordance with generally accepted accounting principles, and any Holder or Holders of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

**SECTION 5.02. ANNUAL AUDIT.** The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. The annual financial statement shall be prepared in conformity with generally accepted accounting principles consistently applied. The requirements of this Section 5.02 shall be deemed satisfied if the audit of the Issuer's operations and collections are undertaken by the City and included in the City's annual audit.

**SECTION 5.03. ANNUAL BUDGETS.** The Issuer and the City shall, respectively, annually prepare and adopt on or prior to the beginning of each Fiscal Year a detailed budget of the estimated income and expenditures for its operation during such Fiscal Year. The Issuer and the City, respectively, shall include in its annual budget in each Fiscal Year the estimated principal, if any, interest and reserves and all other payments required by this Resolution to be made from the Tax Increment Revenues in said Fiscal Year. The Issuer and the City, respectively, shall make such annual budget available for inspection and copying at reasonable times by any Holder or Holders of Bonds, upon request therefor.

**SECTION 5.04. FEDERAL INCOME TAX COVENANTS.** (A) The Issuer covenants with the Holders of the Bonds that it shall not use the proceeds of the Bonds in any manner which would cause the interest on the Bonds to be or become includable in gross income for purposes of federal income taxation.

(B) The Issuer covenants with the Holders of the Bonds that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of the Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on the Bonds to become includable in gross income for purposes of federal income taxation.

(C) The Issuer hereby covenants with the Holders of the Bonds that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

**SECTION 5.05. NO IMPAIRMENT.** The pledging of the Pledged Revenues in the manner provided herein and the Interlocal Agreement, respectively, shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution, agreement or other proceedings of the Issuer without the written consent of a majority of the Holders of the Bonds.

## **ARTICLE VI**

### **DEFAULTS AND REMEDIES**

**SECTION 6.01. EVENTS OF DEFAULT.** The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal of, Amortization Installment, redemption premium or interest on any Bond when due.

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

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of ninety (90) days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

(D) The City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, the Interlocal Agreement or in the City Resolution on the part of the City to be performed, and such default shall continue for a period of ninety (90) days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, the City shall not be deemed in default under the City Resolution if such default can be cured within a reasonable period of time and if the City in good faith institutes curative action and diligently pursues such action until the default has been corrected.

**SECTION 6.02. REMEDIES.** Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders 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 Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof; provided, however, that no Holder, trustee or receiver shall have the right to declare the Bonds immediately due and payable.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with Issuer to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed with the City Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

**SECTION 6.03. DIRECTIONS TO TRUSTEE AS TO REMEDIAL PROCEEDINGS.** The Holders of a majority in principal amount of the Bonds then Outstanding have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

**SECTION 6.04. REMEDIES CUMULATIVE.** No remedy herein conferred upon or reserved to the Bondholders 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.

**SECTION 6.05. WAIVER OF DEFAULT.** No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence

therein; and every power and remedy given by this Section 6.05 to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

**SECTION 6.06. APPLICATION OF MONEYS AFTER DEFAULT.** If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply any amounts on deposit in the Construction Fund and Debt Service Account as follows and in the following order:

A. To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent (if the Registrar and Paying Agent is other than the Issuer) hereunder; and

B. To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds (provided such payments are made in accordance with applicable law), as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

**FIRST:** to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

**SECOND:** to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity, in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

**THIRD:** to the payment of the Redemption price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

## ARTICLE VII

### SUPPLEMENTAL RESOLUTIONS

**SECTION 7.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT.** The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine any matters and things which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(F) To make any other change that, in the opinion of the Issuer, would not materially adversely affect the security for the Bonds.

**SECTION 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' CONSENT.** Subject to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an

extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Revenues other than the lien and pledge created by this Resolution or as otherwise permitted hereby, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or the Insurer of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Issuer shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books and to all Insurers of Bonds Outstanding. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Issuer and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Registrar an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

## ARTICLE VIII

### DEFEASANCE

**SECTION 8.01. DEFEASANCE.** If the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of any Bonds, the principal and interest or Redemption Price due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, all covenants, agreements and other obligations of the Issuer to the holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agent shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for payment or redemption of any Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto shall be deemed to have been paid within the meaning of this Section 8.01 if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (ii) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Refunding Securities verified by an independent certified public accountant to be in such amount that the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of, Redemption Price, if applicable and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such banking institution or trust company nor any moneys received by such bank or trust company on account of principal of or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price of the Bonds for the payment of which they were deposited and the interest accruing thereon to the date of redemption or maturity, as the case may be; provided, however, the Issuer may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of and interest on or Redemption Price, if applicable, of the refunded Bonds.

If Bonds are not to be redeemed or paid within 60 days after any such defeasance described in this Section 8.01, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity date upon which moneys are to be available for the payment of the principal of and interest on or redemption price of said Bonds. Failure to provide said notice shall not affect the Bonds being deemed to have been paid in accordance with the provisions of this Section 8.01.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

## ARTICLE IX

### PROVISIONS RELATING TO DELIVERY OF THE BONDS

**SECTION 9.01. PRELIMINARY OFFICIAL STATEMENT; OFFICIAL STATEMENT.** (A) The Issuer hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as Exhibit C in connection with the offering of the Bonds for sale. If between the date hereof and the mailing of the Preliminary Official Statement, it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, each Authorized Officer of the Issuer is hereby authorized to approve such insertions, changes and modifications. Any Authorized Officer of the Issuer is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934 in the form as mailed. Execution of a certificate by an Authorized Officer of the Issuer deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

(B) Subject in all respects to the satisfaction of the conditions set forth in Section 2.01 hereof, each Authorized Officer of the Issuer is hereby authorized and directed to execute and deliver a final Official Statement, dated the date of the sale of the Bonds, which shall be in substantially the form of the Preliminary Official Statement relating to the Bonds, in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by such Authorized Officer(s) of the Issuer. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by such Authorized Officer(s) of the Issuer, and the information contained therein are hereby authorized to be used in connection with the sale of the Bonds to the public. Execution by one or more Authorized Officers of the Issuer of the Official Statement shall be deemed to be conclusive evidence of approval of such changes.

**SECTION 9.02. APPOINTMENT OF PAYING AGENT AND REGISTRAR.** \_\_\_\_\_, \_\_\_\_\_, Florida, is hereby designated Registrar and Paying Agent for the Bonds. Each Authorized Officer of the Issuer is hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 9.02 and by this Resolution.

**SECTION 9.03. SECONDARY MARKET DISCLOSURE.** Subject to the satisfaction in all respects with the conditions set forth in Section 2.01 hereof, the Issuer hereby covenants and agrees that, in order to provide for compliance by the Issuer with the secondary

market disclosure requirements of Rule 15c2-12 of the Security and Exchange Commission (the "Rule"), it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed by the Issuer and dated the date of delivery of the Bonds, as it may be amended from time to time in accordance with the terms thereof. The Disclosure Certificate shall be substantially in the form attached hereto as Exhibit D with such changes, amendments, modifications, omissions and additions as shall be approved by an Authorized Officer of the Issuer who are each hereby authorized to execute such Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with such Disclosure Certificate shall not be considered an Event of Default hereunder or under this Resolution; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section 9.03 and the Disclosure Certificate. For purposes of this Section 9.03, "Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Bonds for federal income tax purposes.

**SECTION 9.04. MUNICIPAL BOND INSURANCE POLICY.** Upon the advice of the Issuer's Financial Advisor, an Authorized Officer shall determine whether any of the Series 2023 Bonds shall be insured by the Municipal Bond Insurance Policy. If an Authorized Officer determines that any of the Series 2023 Bonds will be so insured, the he or she shall select, upon the advice of the Financial Advisor and Bond Counsel, the Series 2023 Insurer. Upon such selection, if any, an Authorized Officer is hereby authorized to take such actions (including, without limitation, approval of changes to the documents herein approved), and to execute such commitments, agreements, bonds, instruments, and opinions as shall be necessary or desirable to procure the issuance of the Municipal Bond Insurance Policy by the Series 2023 Insurer.

## ARTICLE X

### MISCELLANEOUS

**SECTION 10.01. SALE OF BONDS.** The Bonds shall be issued and sold to the Underwriter pursuant to a negotiated sale at such price or prices as shall be consistent with the provisions of the Act and the Purchase Contract, the requirements of this Resolution and other applicable provisions of law.

**SECTION 10.02. GENERAL AUTHORITY.** The Chairman, Vice-Chairman, and members of the Board and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Resolution, or desirable or consistent with the requirements hereof for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Bonds, including the execution of any documents or instruments relating to insuring payment of the Bonds, and each member,

employee, attorney and officer of the Issuer is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

**SECTION 10.03. SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

**SECTION 10.04. REPEAL OF INCONSISTENT RESOLUTIONS.** All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

**SECTION 10.05. EFFECTIVE DATE.** This Resolution shall take immediate effect.

**Duly Adopted** by the Lake Wales Community Redevelopment Agency this 20th day of December, 2022.

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Chairman

ATTEST:

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City Clerk

## EXHIBIT A

### PROJECT

The Project generally includes the creation, acquisition, construction and equipping of the following improvements:

<b>Project Type</b>	<b>Project</b>
Streetscape	Park Avenue Streetscape Construction
Streetscape	1 <sup>st</sup> Street Streetscape Design
Streetscape	1 <sup>st</sup> Street Streetscape Construction
Streetscape	Lincoln Avenue Design
Mobility	Scenic Highway Roundabouts Design
Mobility	Central Avenue Improvements Construction
Mobility	Northwest Neighborhood Sidewalks & Street Tree Improvements
Trail Network	Park Avenue Connector Trail Construction
Trail Network	Crystal Lake Park Trail Construction
Trail Network	Bok Tower Connector Trail Design
Other	CRA Area Improvements & Streetscape Accessories

**EXHIBIT B**

**FORM OF PURCHASE CONTRACT**

\$ \_\_\_\_\_  
**Lake Wales Community Redevelopment Agency  
Redevelopment Revenue Bonds,  
Series 2023**

**PURCHASE CONTRACT**

\_\_\_\_\_, 202\_

Board of Commissioners of the  
Lake Wales Community  
Development Agency  
City of Lake Wales, Florida

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Underwriter") offers to enter into this Purchase Contract (the "Purchase Contract") with the Lake Wales Community Redevelopment Agency (the "Agency" or the "Issuer"), subject to written acceptance hereof by the Issuer on or before 11:59 p.m., New York time, on the date hereof, and if not so accepted, will be subject to withdrawal by the Underwriter, upon notice delivered by the Underwriter to the Issuer at any time prior to the acceptance hereof by the Issuer.

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$ \_\_\_\_\_ aggregate principal amount of the Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Series 2023 (the "Series 2023 Bonds"). The Series 2023 Bonds shall be dated as of their date of delivery and shall be payable in the years and principal amounts and bear such rates of interest, all as set forth in Exhibit A attached hereto; provided, however, the Underwriter reserves the right to change such initial public offering prices as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Series 2023 Bonds (but in all cases subject to the requirements of Section 5 hereof), and may offer and sell the Series 2023 Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices or yields greater than the yields set forth herein (but in all cases subject to the requirements of Section 5 hereof). Interest on the Series 2023 Bonds is payable semi-annually on September 1 and March 1 of each year commencing September 1, 2023. The purchase price for the Series 2023 Bonds shall be \$ \_\_\_\_\_ (representing the par amount of the Series 2023 Bonds of \$ \_\_\_\_\_ [plus/less] [net] bond [premium/discount] of \$ \_\_\_\_\_ and less an Underwriter's discount of \$ \_\_\_\_\_).

The disclosure statement required by Section 218.385, Florida Statutes, is attached hereto as Exhibit B.

The Series 2023 Bonds are being issued pursuant to and under the authority of Chapter 163, Part III, Florida Statutes, as amended and Resolution 2021-24 adopted by the City of Lake Wales, Florida (the "City") on October 19, 2021, as amended and supplemented, as particularly supplemented by Resolution 2022-\_\_ adopted by the City on \_\_\_\_\_, 2022 (collectively, the "City Resolution") and Resolution 2021-03 adopted by the Agency on October 12, 2021, as amended and supplemented, as particularly by Resolution CRA 2022-\_\_ adopted by the Agency on December 20, 2022 (collectively, the "Resolution"), and an Interlocal Agreement between the Agency and the City dated as of October 13, 2021, in connection with the issuance of the Series 2023 Bonds (the "Interlocal Agreement") and other applicable provisions of law (collectively, the "Act"). All terms used herein in capitalized form and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Series 2023 Bonds are being issued for the purpose of financing and refinancing, including through reimbursement, the creation, acquisition, construction and equipping of various capital improvements and programs within the Redevelopment Area that are approved by the Redevelopment Plan, as may be amended from time to time (collectively, the "Project").

2. Delivery of Official Statement and Other Documents.

(a) Prior to the date hereof, the Issuer has provided to the Underwriter for its review the Preliminary Official Statement dated \_\_\_\_\_, 2023, that the Issuer deemed "final," as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule"), as of its date (the "Preliminary Official Statement"), except for certain permitted omissions (the "Permitted Omissions"), as contemplated by the Rule in connection with the pricing of the Series 2023 Bonds. The Underwriter has reviewed the Preliminary Official Statement prior to the execution of this Purchase Contract in accordance with, and as a part of, its responsibility to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The Issuer hereby confirms that the Preliminary Official Statement was "final" (as defined in the Rule) as of its date except for the Permitted Omissions.

(b) The Issuer shall deliver, or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof or within such shorter period as may be requested by the Underwriter, and at least three (3) business days prior to the date the Series 2023 Bonds are delivered to the Underwriter, or within such other period as may be prescribed by the Municipal Securities Rulemaking Board ("MSRB") in order to accompany any confirmation that requests

payment from any customer (i) sufficient copies of the final Official Statement (the "Official Statement") electronically over the internet (in a word-searchable pdf format) and in printed paper form to enable the Underwriter to fulfill its obligations pursuant to state and federal securities laws, in form and substance satisfactory to the Underwriter, and (ii) an executed original counterpart or certified copy of the Official Statement and the Resolution. In determining whether the number of copies to be delivered by the Issuer is reasonably necessary, at a minimum, the number shall be sufficient to enable the Underwriter to comply with the requirements of Rule 15c2-12 and all applicable rules of the MSRB, and to fulfill its duties and responsibilities under state and federal securities laws generally.

The Underwriter agrees to file the Official Statement with the MSRB (accompanied by a completed Form G-32) as required by MSRB Rule G-32.

The Issuer ratifies and authorizes the use and distribution of the Preliminary Official Statement and the Official Statement in connection with the public offering and sale of the Series 2023 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2023 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Official Statement. Unless the Underwriter otherwise notifies the Issuer in writing, the Underwriter agrees that the "end of the underwriting period" for purposes of the Rule shall be the date of the hereinafter defined Closing.

(c) From the date hereof until the earlier of (i) ninety days from the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Official Statement is available to any person from the MSRB (but in no case less than 25 days following the end of the underwriting period), if any event occurs which may make it necessary to amend or supplement the Official Statement in order to make it, in the light of the circumstances under which the statements therein were made, not misleading, or omit information required to make the Official Statement not misleading, the Issuer shall notify the Underwriter and if, in the reasonable opinion of the Issuer or the reasonable opinion of the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the Issuer, at its expense, promptly will prepare an appropriate amendment or supplement thereto (and file or cause, to be filed, the same with the MSRB, and mail such amendment or supplement to each record owner of Series 2023 Bonds) so that the statements in the Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading or omit information required to make the Official Statement not misleading in a form and in a manner reasonably approved by the Underwriter. The Issuer will promptly notify the Underwriter of the occurrence of any event of which it has knowledge, which, in its reasonable opinion, is an event described in the preceding sentence. Any amendments or supplements that may be authorized for

use with respect to the Series 2023 Bonds are hereinafter included within the term "Official Statement."

3. Authority of Underwriter. The Underwriter has been duly authorized to execute this Purchase Contract and to perform the obligations hereunder and this Purchase Contract has been duly authorized, executed and delivered by the Underwriter. Assuming the due authorization of this Purchase Contract by the Issuer, this Purchase Contract will constitute a legal, valid and binding obligation of the Underwriter, in accordance with the terms hereof except to the extent that enforcement hereof may be limited by applicable 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.

4. Public Offering. The Underwriter agrees to make a bona fide offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of all of the Series 2023 Bonds at a price or prices not in excess of the initial public offering price or prices (or at a yield or yields not below the yield or yields) set forth on the inside cover page of the Official Statement. If such public offering does not result in the sale of all the Series 2023 Bonds, the Underwriter may offer and sell the Series 2023 Bonds to certain bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers at prices higher than or yields lower than the public offering prices or yields set forth on the inside cover page of the Official Statement.

The Issuer hereby authorizes the Underwriter to use the forms or copies of the Resolution, the Official Statement and the information contained therein in connection with the public offering and sale of the Series 2023 Bonds and ratifies and confirms its authorization of the distribution and use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with such public offering and sale.

5. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2023 Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2023 Bonds.

(b) Except as otherwise set forth in Schedule A to Exhibit C attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Series 2023 Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject

to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Issuer the price or prices at which the Underwriter has sold to the public each maturity of Series 2023 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2023 Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which Series 2023 Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% test has been satisfied as to the Series 2023 Bonds of that maturity or maturities or the date of the Closing.

(c) The Underwriter confirms that it has offered the Series 2023 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule A to Exhibit C attached hereto, except as otherwise set forth therein. Schedule A to Exhibit C also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2023 Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2023 Bonds, the Underwriter will neither offer nor sell unsold Series 2023 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date (as hereinafter defined); or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2023 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Issuer when it has sold 10% of that maturity of the Series 2023 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Series 2023 Bonds to the public, together with the related pricing wires, contains or will contain language obligating the Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable,

(A) (i) to report the prices at which it sells to the public the unsold Series 2023 Bonds of each maturity allocated to it until either all Series 2023 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2023 Bonds of that maturity and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires,

(B) to promptly notify the Underwriter of any sales of Series 2023 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2023 Bonds to the public (each such term being used as defined below), and

C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(2) any agreement among underwriters and any selling group agreement relating to the initial sale of the Series 2023 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2023 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2023 Bonds of each maturity allocated to it until either all Series 2023 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or such underwriter that the 10% test has been satisfied as to the Series 2023 Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires.

The Issuer acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Series 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023 Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2023 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023 Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that

was employed in connection with the initial sale of the Series 2023 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall be solely liable for its failure to comply with its agreement to comply with its agreement regarding the requirements for establishing issue price of the Series 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023 Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023 Bonds.

(e) The Underwriter acknowledges that sales of any Series 2023 Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(1) "public" means any person other than an underwriter or a related party;

(2) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2023 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2023 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2023 Bonds to the public);

(3) a purchaser of any of the Series 2023 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a

partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) "sale date" means the date of execution of this Purchase Contract by all parties.

6. Good Faith Deposit. The Underwriter has delivered herewith to the Issuer a good faith deposit in the amount of \$\_\_\_\_\_. (the "Good Faith Deposit") (representing 1.00% of the preliminary aggregate par amount of the Series 2023 Bonds set forth on the cover page of the Preliminary Official Statement) by wire transfer. The Good Faith Deposit will be deposited by the Issuer and any investment earnings on the Good Faith Deposit through the date of Closing may be retained by the Issuer. In the event that the Issuer does not accept this offer, such Good Faith Deposit shall be immediately returned to the Underwriter. If the offer made hereby is accepted, the Issuer agrees to hold this Good Faith Deposit until the Closing as security for the performance by the Underwriter of its obligation to accept and pay for the Series 2023 Bonds at the Closing, and, in the event of its compliance with such obligation, such Good Faith Deposit shall be credited against the purchase price for the Series 2023 Bonds set out in Section 1 hereof. In the event of the Issuer's failure to deliver the Series 2023 Bonds at the Closing, or if the Issuer shall be unable to satisfy the conditions of Closing contained herein, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, such Good Faith Deposit shall be immediately returned to the Underwriter, and such return shall constitute a full release and discharge of all claims by the Underwriter arising out of the transactions contemplated hereby. In the event that the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Series 2023 Bonds at the Closing, such Good Faith Deposit shall be retained by the Issuer as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriter, and such retention shall constitute a full release and discharge of all claims by the Issuer against the Underwriter arising out of the transactions contemplated hereby.

7. Issuer Representations, Warranties, Covenants and Agreements. The Issuer represents and warrants to and covenants and agrees with the Underwriter that, as of the date hereof and as of the date of the Closing:

(a) The Issuer is a duly created and appointed and validly existing community redevelopment agency of the State of Florida, with the power and authority set forth in the Act.

(b) The Issuer has, or had on the date of the execution hereof, (i) full legal right, power and authority to issue, sell and deliver the Series 2023 Bonds to the Underwriter as described herein; (ii) to create, acquire, construct and equip the Project; (iii) to accept this Purchase Contract; (iv) to execute and deliver its Continuing Disclosure Certificate to be dated as of the date of issuance of the Series 2023 Bonds (the "Issuer Continuing Disclosure Certificate"); (v) to adopt the

Resolution; (vi) to finance and reimburse costs of the Project; (vii) to execute and deliver the Official Statement; and (viii) to carry out and consummate all other transactions for which it is responsible as contemplated hereby and by the Official Statement and by each of the aforesaid documents, agreements, and resolutions.

(c) By official action of the Issuer taken prior to or concurrently with the acceptance hereof, the Issuer has duly adopted the Resolution and the same is in full force and effect and has not been amended, modified or rescinded; the Issuer has duly authorized and approved the execution and delivery of, and the performance by the Issuer of its obligations contained in the Resolution, the Series 2023 Bonds, the Official Statement, the Issuer Continuing Disclosure Certificate, the Interlocal Agreement and this Purchase Contract; and the consummation by it of all other transactions contemplated by any of the aforesaid documents, agreements or resolutions to have been performed or consummated at or prior to the date of Closing, and the Issuer is in compliance with the provisions of the Resolution.

(d) When delivered to and paid for by the Underwriter at Closing in accordance with the terms of this Purchase Contract, the Resolution, and the Series 2023 Bonds will have been duly and validly authorized, executed, issued and delivered and will constitute legal, valid and binding limited obligations of the Issuer enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or other laws affecting creditors' rights and remedies and to general principles of equity and the exercise of judicial discretion, and will be entitled to the benefits of the Resolution.

(e) The Issuer is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States, or any agency or department of either, or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its properties or other assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, in any such case to the extent that the same would have a material and adverse effect upon the business or properties or financial condition of the Issuer; and the execution and delivery of the Series 2023 Bonds, the Issuer Continuing Disclosure Certificate, this Purchase Contract, the Interlocal Agreement and the adoption of the Resolution and compliance with the provisions on the Issuer's part contained in each, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its properties or other assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or

imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or the assets of the Issuer under the terms of any such law, regulation or instrument, except as provided or permitted by the Series 2023 Bonds, the Interlocal Agreement and the Resolution.

(f) The Issuer is not and has not been in default on any bond, note or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest since December 31, 1975 that would be considered material by a reasonable investor. The Issuer has not undertaken an independent review or investigation of securities for which it has served only as conduit issuer, if any. The Issuer does not believe that any information about any default on such conduit securities is appropriate or would be considered material by a reasonable investor in the Series 2023 Bonds because the Issuer is not obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued, if any, and no funds of the Issuer have been pledged or used to pay such securities or the interest thereon.

(g) All approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction in any matter which would constitute a condition precedent to or the absence of which would materially adversely affect the financial condition of the Issuer or the due performance by the Issuer of its obligations under this Purchase Contract, the Resolution, the Interlocal Agreement, the Issuer Continuing Disclosure Certificate and the Series 2023 Bonds have been, or prior to the Closing will have been, duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2023 Bonds or approvals, consents and orders: (i) described in the Preliminary Official Statement (or Official Statement, as applicable) as not having been obtained, or (ii) not of material significance to the issuance of the Series 2023 Bonds or customarily granted in due course after application therefor and expected to be obtained without material difficulty or delay.

(h) The Series 2023 Bonds, when issued, authenticated and delivered in accordance with the Resolution and sold to the Underwriter as provided herein and in accordance with the provisions of the Resolution, will be legal, valid and binding obligations of the Issuer, enforceable in accordance with its terms and the terms of the Resolution, and the Resolution provides, for the benefit of the holders from time to time of the Series 2023 Bonds, a legally valid and binding pledge of the Pledged Revenues, subject to the provisions of the Resolution.

(i) The Preliminary Official Statement was (except for "permitted omissions" as defined in the Rule), as of the date thereof, and the Official Statement, as of the date hereof and at all times subsequent hereto up to and including the date of the Closing will be, true and correct in all material respects and do not contain

any untrue statement of a material fact or omit to state a material fact which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, any amendments or supplements to the Official Statement prepared and furnished by the Issuer pursuant hereto will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than information herein related to DTC and its book-entry only system of registration, the information contained under the caption "TAX MATTERS" and information contained under the caption "UNDERWRITING", which is provided by the Underwriters, as to which no view shall be expressed).

(j) No facts have come to the Issuer's attention that would lead the Issuer to believe that the information in the Official Statement as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (other than information herein related to DTC and its book-entry only system of registration, the information contained under the caption "TAX MATTERS" and information contained under the caption "UNDERWRITING", which is provided by the Underwriters, as to which no view shall be expressed).

(k) The Series 2023 Bonds, the Resolution, the City Resolution, the Interlocal Agreement and the Issuer Continuing Disclosure Certificate conform in all material respects to the descriptions thereof contained in the Official Statement.

(l) The financial statements of the Issuer and the City as of September 30, 2021, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Issuer or the City in their operations since September 30, 2021, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(m) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency or public board or body, pending or, to the best knowledge of the Issuer, threatened, against or affecting the Issuer or the City or the titles of their officers to their respective offices, or which may affect or which seeks to prohibit, restrain or enjoin the creation, acquisition, construction or equipping of the Project, the sale, issuance or delivery of the Series 2023 Bonds or the collection of the Tax Increment Revenues or the Non-Ad Valorem Revenues, or which in any way

contests or affects the validity or enforceability of the Series 2023 Bonds, the Resolution, the City Resolution, this Purchase Contract, the Interlocal Agreement or the Issuer Continuing Disclosure Certificate, or any of them, or which may result in any material adverse change in the business, properties, other assets or financial condition of the Issuer or the City or which contests the tax-exempt status of the interest on the Series 2023 Bonds as described in the Official Statement, or which contests in any way the completeness or accuracy of the Official Statement, or which contests the power of the Issuer or any authority or proceedings for the issuance, sale or delivery of the Series 2023 Bonds, the Interlocal Agreement or this Purchase Contract, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series 2023 Bonds, the Resolution, the Issuer Continuing Disclosure Certificate, the City Resolution, the Interlocal Agreement or this Purchase Contract or the financial condition of the Issuer.

(n) The Issuer will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Series 2023 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, or (ii) to determine the eligibility of the Series 2023 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2023 Bonds; provided that the Issuer shall not be obligated to take any action that would subject it to the general service of process in any state where it is not now so subject and any expense related to the foregoing shall be borne by the Underwriter.

(o) The Issuer will advise the Underwriter promptly of any need or proposal to amend or supplement the Official Statement and will not affect any such amendment or supplement without the prior written consent of the Underwriter. The Issuer will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Series 2023 Bonds.

(p) The Issuer has never been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(q) Other than as disclosed in the Official Statement, the Issuer has not in the last five (5) years failed to comply in all material respects with any agreement to provide continuing disclosure information pursuant to the Rule.

(r) Relating to outstanding debt of the Issuer, there is not an unfunded materially significant arbitrage rebate liability of the Issuer owing the Internal Revenue Service.

8. The Closing. At \_\_\_\_\_ a.m./p.m., New York time, on \_\_\_\_\_, 202\_, or at such other time or date to which the Issuer and the Underwriter may mutually agree (which is defined to mean the date of "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the Series 2023 Bonds in book-entry form to the account of the Underwriter, at the offices of the Bank (as hereinafter defined), on behalf of The Depository Trust Company ("DTC") in New York, New York, or such other location as determined by the Underwriter and agreed to by the Issuer, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the aggregate purchase price of the Series 2023 Bonds as set forth in Section 1 hereof in Federal Funds to the Issuer. The Closing shall occur at the offices of the Issuer in the City of Lake Wales, Florida, or such other place to which the Issuer and the Underwriter shall have mutually agreed. The Series 2023 Bonds shall be made available to the Underwriter no less than 24 hours before the Closing for purposes of inspecting. The Series 2023 Bonds shall be prepared and delivered as fully registered Series 2023 Bonds registered in such authorized denominations and registered in full book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and shall be delivered to the Registrar to retain possession of the Series 2023 Bonds pursuant to the DTC "FAST" procedure.

9. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties, covenants and agreements of the Issuer contained herein and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Series 2023 Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder, and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations, warranties, covenants and agreements of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Resolution, the City Resolution, the Interlocal Agreement and this Purchase Contract shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented since the date hereof, and the Official Statement as delivered to the Underwriter on the date hereof shall not have been supplemented or amended, except in any such case as may have been approved by the Underwriter;

(c) At the time of the Closing, all official action of the Issuer relating to this Purchase Contract, the Series 2023 Bonds, the Resolution, the Interlocal Agreement and the Issuer Continuing Disclosure Certificate taken as of the date hereof shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented, except for amendments, modifications or supplements which have been approved by the Underwriter in writing prior to the Closing;

(d) At the time of the Closing, except as contemplated by the Official Statement, there shall have been no material adverse change in the financial condition of the Issuer or the City since September 30, 2021;

(e) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) An opinion of Bryant Miller Olive P.A., Bond Counsel, Tallahassee, Florida, dated the date of the Closing and addressed to the Issuer, in substantially the form attached as Appendix E to the Official Statement, relating to the exclusion of the interest on the Series 2023 Bonds from the gross income of the holders thereof for purposes of federal income taxation and such other matters with respect to the Series 2023 Bonds as the Underwriter may reasonably request, and a reliance letter pertaining thereto addressed to the Underwriter;

(2) A supplemental opinion of Bryant Miller Olive P.A., Bond Counsel, Tallahassee, Florida, dated the date of the Closing and addressed to the Underwriter, in such form as is mutually and reasonably acceptable to the Issuer, the Underwriter and Bond Counsel, (i) to the effect that the statements contained in the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the date of Closing under the captions "INTRODUCTORY STATEMENT," "DESCRIPTION OF THE SERIES 2023 BONDS" (other than the information thereunder relating to DTC and its system of book-entry registration and "SECURITY FOR THE SERIES 2023 BONDS", insofar as such information purports to summarize portions of the Resolution and the Series 2023 Bonds, such statements are accurate summaries of the provisions purported to be summarized. They have also reviewed the information contained in the Official Statement under the section captioned "TAX MATTERS" and believe that such information is accurate, (ii) to the effect that the Series 2023 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and (iii) to the effect that the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(3) An opinion, dated the date of Closing and addressed to the Underwriter, of Albert C. Galloway, Esquire, counsel to the Issuer, in substantially the form attached hereto as Exhibit D;

(4) An opinion, dated the date of Closing and addressed to the Underwriter, of Albert C. Galloway, Esquire, City Attorney, in substantially the form attached hereto as Exhibit E;

(5) An opinion, dated the date of the Closing and addressed to the Issuer, and a reliance letter pertaining thereto addressed to the Underwriter, of Bryant Miller Olive P.A., Tampa, Florida, as Disclosure Counsel, to the effect that no facts have come to the attention of the attorneys in the firm rendering legal services in connection with this matter that cause them to believe that the Preliminary Official Statement, as of its date, and the Official Statement as of its date or as of the date of Closing, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, the firm does not assume responsibility for the accuracy, completeness, or fairness of the statements contained in the Preliminary Official Statement or Official Statement (including any appendices, schedules, and exhibits thereto), nor does the firm express any belief with respect to any demographic, financial, statistical and operating data, and forecasts, projections, numbers, estimates, assumptions, and expressions of opinion or information concerning The Depository Trust Company and the book-entry system for the Series 2023 Bonds contained or incorporated by reference in the Preliminary Official Statement or the Official Statement (including any appendices, schedules, and exhibits thereto), which the firm expressly excludes from the scope of its opinion, all in form and substance satisfactory to the Issuer, the Underwriter and counsel to the Underwriter;

(6) A certificate, dated the date of the Closing, of the Issuer in substantially the form attached hereto as Exhibit F;

(7) A certificate, dated the date of the Closing, signed by the Mayor and City Clerk of the City or other authorized officer of the City in substantially the form attached hereto as Exhibit G;

(8) Executed copies of the Issuer Continuing Disclosure Certificate, the Continuing Disclosure Certificate to be executed by the City on the date of Closing and the Interlocal Agreement, and evidence satisfactory to the Underwriter that the Interlocal Agreement is in full force and effect;

(9) Certified copies of the adopted Resolution and the City Resolution;

(10) A Tax Certificate of the Issuer, in form satisfactory to Bond Counsel, executed by such officials of the Issuer as shall be satisfactory to the Underwriter;

(11) Evidence satisfactory to the Underwriter of a rating issued from \_\_\_\_\_ of "\_\_\_" (\_\_\_\_\_ outlook) for the Series 2023 Bonds;

(12) A certificate of an authorized officer of \_\_\_\_\_ (the "Bank"), as Registrar and Paying Agent, to the effect that (A) the Bank is a banking corporation duly organized, validly existing and in good standing under the laws of the United States and is duly authorized to exercise trust powers in the State, (B) the Bank has all requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Resolution, (C) the performance by the Bank of its functions under the Resolution will not result in any violation of the Articles of Association or Bylaws of the Bank, any court order to which the Bank is subject or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its functions under the Resolution, (D) to the best of such authorized officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against or affecting the Bank wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Bank to perform its obligations under the Resolution, and (E) the Series 2023 Bonds have been authenticated in accordance with the terms of the Resolution;

(13) A copy of the Blue Sky Survey prepared by counsel to the Underwriter with respect to the Series 2023 Bonds;

(14) A copy of the Issuer's executed Blanket Letter of Representation to The Depository Trust Company; and

(15) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request.

All of the evidence, opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in

compliance with the provisions hereof if, but only if, they are in the form specified herein or otherwise in the form and substance satisfactory to the Underwriter with such exceptions and modifications as shall be approved by the Underwriter and as shall not in the reasonable opinion of the Underwriter materially impair the investment quality of the Series 2023 Bonds.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2023 Bonds contained in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2023 Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the Issuer shall return the Good Faith Deposit referred to in Section 6 hereof and the respective obligations of the Issuer and the Underwriter set forth in Section 11 hereof shall continue in full force and effect. In the event that the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Series 2023 Bonds at the Closing, such Good Faith Deposit shall be retained by the Issuer as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriter, and such retention shall constitute a full release and discharge of all claims by the Issuer against the Underwriter arising out of the transactions contemplated hereby.

10. Termination. The Underwriter may terminate this Purchase Contract, without liability therefor, by notification to the Issuer, if at any time subsequent to the date of this Purchase Contract at or prior to the Closing:

(a) Legislation shall be enacted by the Congress of the United States, or a bill shall be introduced (by amendment or otherwise) or favorably reported or passed by either the House of Representatives or the Senate of the Congress of the United States or any committee of the House or Senate, or a conference committee of such House and Senate makes a report (or takes any other action), or a decision by a court of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or fiscal action shall be issued or proposed by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency with respect to or having the purpose or effect of changing directly or indirectly the federal income tax consequences of interest on the Series 2023 Bonds in the hands of the holders thereof (including imposition of a not previously existing minimum federal tax which includes tax-exempt interest in the calculation of such tax), which, in the reasonable opinion of the Underwriter, has materially adversely affected, or will materially adversely affect, the market price or the marketability of the Series 2023 Bonds;

(b) Any legislation, rule or regulation shall be introduced in, or be enacted by any department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of

the Underwriter, materially adversely affects the market for the Series 2023 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2023 Bonds;

(c) Any fact shall exist or any event shall have occurred which makes the Preliminary Official Statement, as of its date, or the Official Statement, in the form as printed together with any prior amendments or supplements, in the reasonable opinion of the Underwriter, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading and (a) the City refuses or fails to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Underwriter or (b) the effect of the Official Statement as so supplemented is, in the reasonable judgement of the Underwriter, to materially adversely affect the market price or marketability of the Series 2023 Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices of the Series 2023 Bonds;

(d) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, financial or otherwise, affecting the effective operation of the government of, or the financial community in, the United States, including a general suspension of trading on any national securities exchange, which materially adversely affects the market for the Series 2023 Bonds or the sale of the Series 2023 Bonds, at the contemplated offering prices, by the Underwriter, in the reasonable opinion of the Underwriter;

(e) Disruptive events, occurrences or conditions in the securities or debt markets have occurred or exist which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2023 Bonds or the sale of the Series 2023 Bonds at the contemplated offering prices;

(f) Legislation shall be enacted or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which, in the reasonable opinion of the Underwriter, has the effect of requiring the contemplated distribution of the Series 2023 Bonds to be registered under the Securities Act, or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing;

(g) A general banking moratorium shall have been declared by the United States, New York or Florida authorities which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2023 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2023 Bonds to be purchased by the Underwriter;

(h) There shall have occurred, after the date hereof, either a financial crisis or a default with respect to the debt obligations of the Issuer or the City or proceedings under the federal or State of Florida bankruptcy laws shall have been instituted by or against the Issuer or the City, in any case the effect of which, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect (i) the market price or the marketability of the Series 2023 Bonds, or (ii) the ability of the Underwriter to enforce contracts for the sale of the Series 2023 Bonds;

(i) A general suspension of trading on any national securities exchange shall be in force, or any national securities exchange, or any governmental authority, shall impose, as to the Series 2023 Bonds or obligations of the general character of the Series 2023 Bonds any material restrictions not now in force, or increase materially those now in force, with respect to the establishment of material restrictions upon trading of securities, including minimum or maximum prices or maximum price ranges, by any governmental authority or by any national securities exchange, which in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2023 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2023 Bonds;

(j) Legal action shall have been filed against the Issuer or the City wherein an adverse ruling would materially adversely affect the transactions contemplated hereby or by the Official Statement or the validity of the Series 2023 Bonds, the Resolution, the City Resolution, the Interlocal Agreement, the Issuer Continuing Disclosure Certificate or this Purchase Contract; provided, however, that as to any such litigation, the Issuer may request and the Underwriter may accept an opinion by counsel to the Issuer, or of other counsel acceptable to the Underwriter, that in such counsel's opinion the issues raised by any such litigation or proceeding are without substance or that the contentions of any plaintiffs therein are without merit;

(k) The ratings with respect to the Series 2023 Bonds set forth in Paragraph 9(e)(11) hereof are downgraded or withdrawn; or

(l) A material disruption in securities settlement, payment or clearance services affecting the Series 2023 Bonds shall have occurred.

11. Expenses. The Underwriter shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the obligations of the Issuer hereunder including, but not limited to: (a) the cost of preparation, printing or other reproduction of the Resolution, the Series 2023 Bonds, and all other documents entered into in connection with the offering and sale of the Series 2023 Bonds; (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, counsel to the Issuer and the City Attorney; (c) the fees and disbursements of the Financial Advisor; (d) the fees and disbursements of any experts, consultants or advisors retained by the Issuer, including

without limitation, accounting fees and the fees of the Registrar and Paying Agent; (e) fees for bond ratings; (f) the costs of preparing, printing and delivering a reasonable number of copies of the Preliminary Official Statement and the Official Statement and any supplements or amendments to either of them; and (g) the reasonable expenses (included in the expense component of the Underwriter's discount) incurred on behalf of the City's employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation and lodging of such employees.

The Underwriter shall pay: (a) all advertising expenses; (b) all other expenses incurred by it in connection with the public offering of the Series 2023 Bonds, including the fees and disbursements of counsel retained by it, but not including the costs identified in the immediately preceding paragraph; and (c) the cost of any "blue sky" memoranda. In the event that either party shall have paid the obligations of the other as set forth in this Section 11, adjustment shall be made at the time of the Closing.

12. Notices. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Raymond James & Associates, Inc., 880 Carillon Parkway, Tower 3 - Floor 3, St. Petersburg, Florida 33716, Attention: Rick W. Patterson.

13. Parties in Interest. This Purchase Contract is made solely for the benefit of the Issuer and the Underwriter and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) the delivery of the Series 2023 Bonds pursuant to this Purchase Contract; or (iii) any termination of this Purchase Contract.

14. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Issuer hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter, in its sole discretion, and the approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing, signed by appropriate officer or officers of the Underwriter and delivered to the Issuer.

15. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof by the Chairman or Vice-Chairman of the Issuer and shall be valid and enforceable at the time of such acceptance.

16. Counterparts; PDF or Facsimile Signatures. This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of

which shall constitute one and the same document. PDF or facsimile signatures to this Purchase Contract shall be regarded as original signatures.

17. Headings. The headings of the Sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

18. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended; (ii) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and the Underwriter and the Underwriter has financial and other interests that differ from those of the Issuer; (iii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as principal and not as agent, municipal advisor, financial advisor or fiduciary of the Issuer; (iv) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering of the Series 2023 Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer on other matters) nor has the Underwriter assumed any other obligation to the Issuer except the obligations expressly set forth in this Purchase Contract; (v) the Issuer has consulted with its own legal, accounting, tax, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Series 2023 Bonds; and (vi) the Underwriter is acting solely in the capacity as underwriter for its own accounts.

19. Florida Law Governs. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of Florida.

20. Entire Agreement. This Purchase Contract contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

Very truly yours,

**RAYMOND JAMES & ASSOCIATES, INC.,**  
as Underwriter

By: \_\_\_\_\_  
Name: Rick W. Patterson  
Title: Managing Director

Accepted by:

**LAKE WALES COMMUNITY  
REDEVELOPMENT AGENCY**

By: \_\_\_\_\_

Name: Robin Gibson

Title: Chairman

**EXHIBIT A**

**TERMS OF SERIES 2023 BONDS**

\$ \_\_\_\_\_

**LAKE WALES COMMUNITY REDEVELOPMENT AGENCY**

**Redevelopment Revenue Bonds, Series 2023**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND PRICES**

\$ \_\_\_\_\_ **Serial Series 2023 Bonds**

<u>Maturity</u> <u>(September 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
---	---------------	--------------------------------	--------------	--------------

\$ \_\_\_\_\_ % Term Series 2023 Bonds due September 1, \_\_\_\_ - Price \_\_\_\_\_ - Yield \_\_\_\_ %  
\$ \_\_\_\_\_ % Term Series 2023 Bonds due September 1, \_\_\_\_ - Price \_\_\_\_\_ - Yield \_\_\_\_ %

\*Yield and Price calculated to the first optional call date of September 1, 20\_\_.

**Optional Redemption**

The Series 2023 Bonds maturing on or prior to September 1, \_\_\_\_\_ are not subject to redemption prior to their respective stated maturities. The Series 2023 Bonds maturing on or after September 1, \_\_\_\_\_ are subject to redemption prior to their respective maturities, at the option of the Agency, from any moneys legally available therefor, upon notice as provided in the Resolution, in whole or in part, at any time on or after September 1, \_\_\_\_\_, and if in part by lot within a maturity and in such selection of maturities as the Agency shall deem appropriate, at the Redemption Price of one hundred percent (100%) of principal amounts of the Series 2023 Bonds to be redeemed, without premium, plus accrued interest to the date of redemption.

## Mandatory Redemption

The Series 2023 Bonds maturing on September 1, \_\_\_\_\_ will be subject to mandatory redemption prior to their maturity, by lot, in such manner as the Registrar may deem appropriate, at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, on September 1, \_\_\_\_\_ and on each September 1 thereafter, in the following amounts in the years specified:

<u>Year</u>	<u>Amount</u>
*	\$

---

\*Maturity.

**EXHIBIT B**

**DISCLOSURE STATEMENT**

**\$ \_\_\_\_\_**

**LAKE WALES COMMUNITY REDEVELOPMENT AGENCY  
Redevelopment Revenue Bonds,  
Series 2023**

**\_\_\_\_\_, 2023**

Board of Commissioners of the  
Lake Wales Community  
Development Agency  
City of Lake Wales, Florida

Ladies and Gentlemen:

In connection with the proposed issuance by the Lake Wales Community Redevelopment Agency (the "Issuer") of the issue of bonds referred to above (the "Series 2023 Bonds"), Raymond James & Associates, Inc. (the "Underwriter"), has agreed to underwrite a public offering of the Series 2023 Bonds. Arrangements for underwriting the Series 2023 Bonds will include a Purchase Contract between the Issuer and the Underwriter.

The purpose of this letter is to furnish, pursuant to the provisions of Sections 218.385(2), (3) and (6), Florida Statutes, as amended, certain information in respect to the arrangement contemplated for the underwriting of the Series 2023 Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriter in connection with the issuance of the Series 2023 Bonds are set forth on Schedule I attached hereto.

(b) There are no "finders," as that term is defined in Section 218.386, Florida Statutes, connected with the issuance of the Series 2023 Bonds.

(c) The amount of the Underwriter's discount expected to be realized with respect to the Series 2023 Bonds is \$\_\_\_\_\_ per \$1,000 (\$\_\_\_\_\_.\_\_\_\_) which includes \$\_\_\_\_\_ per \$1,000 (\$\_\_\_\_\_.\_\_\_\_) for average takedown and \$\_\_\_\_\_ per \$1,000, (\$\_\_\_\_\_.\_\_\_\_) for expenses.

(d) The Management Fee is \$\_\_\_\_\_.\_\_\_\_ (\$\_\_\_/\$1,000 of Series 2023 Bonds).

(e) Except for the Underwriter's counsel fee set forth on Schedule I, no other fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with

the issuance of the Series 2023 Bonds to any person not regularly employed or retained by the Underwriter.

(f) The name and address of the Underwriter is set forth below:

Raymond James & Associates, Inc.  
880 Carillon Parkway  
St. Petersburg, Florida 33716

(g) The Issuer is proposing to issue the Series 2023 Bonds for the purposes described in Section 1 of the Purchase Contract.

The Series 2023 Bonds are expected to be repaid over a period of approximately \_\_\_ years and \_\_\_ months (from the date of Closing). At a true interest cost rate of \_\_\_\_\_%, total interest paid over the life of the Series 2023 Bonds will be \$\_\_\_\_\_.\_\_\_\_\_.

Authorizing the Series 2023 Bonds will result in an average of \$\_\_\_\_\_.\_\_\_\_\_ (average annual debt service) of Pledged Revenues (as described in the authorizing Resolution of the Issuer) not being available to finance the other services of the Issuer each year for approximately \_\_\_ years and \_\_\_ months.

We understand that the Issuer does not require any further disclosure from the Underwriter, pursuant to Sections 218.385(2), (3) and (6), Florida Statutes, as amended.

Very truly yours,

**RAYMOND JAMES & ASSOCIATES, INC.,**  
as Underwriter

By: \_\_\_\_\_  
Name: Rick W. Patterson  
Title: Managing Director

**SCHEDULE I**

**ESTIMATED EXPENSES TO BE INCURRED BY UNDERWRITER**

	<u>Total</u>
Underwriter's Counsel	\$
Ipreo (Gameday)	
DTC	
CUSIP	
Miscellaneous	
<b>TOTAL</b>	<u>\$</u>

**EXHIBIT C**  
**ISSUE PRICE CERTIFICATE**  
\$ \_\_\_\_\_  
**LAKE WALES COMMUNITY REDEVELOPMENT AGENCY**  
**Redevelopment Revenue Bonds,**  
**Series 2023**

The undersigned, on behalf of Raymond James & Associates, Inc. (the "Underwriter"), based upon the information available to it, hereby certifies, as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. [Alternative 1<sup>1</sup> – All Maturities Use General Rule: Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.] [Alternative 2<sup>2</sup> – Select Maturities Use General Rule: Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

2. Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities].  
(a) [Alternative 1<sup>3</sup> – All Maturities Use Hold-the-Offering-Price Rule: The Underwriter offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] [Alternative 2<sup>4</sup> – Select Maturities Use Hold-the-Offering-Price Rule: The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, dated \_\_\_\_\_, 202\_ among the Issuer and the Underwriter (the "Purchase Contract"), the Underwriter has agreed in writing that, (i) for each Maturity of the Bonds, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling

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1 If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

2 If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

3 If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

4 Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [*Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule*: As set forth in the Purchase Contract, dated \_\_\_\_\_, 202\_ among the Issuer and the Underwriter (the "Purchase Contract"), the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms. [(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 202\_), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means Lake Wales Community Redevelopment Agency.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September \_\_\_\_, 2023.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to

The signer is an officer of the Underwriter and duly authorized to execute and deliver this certificate. The Issuer may rely on the statements made herein in connection with making the representations set forth in the Tax Compliance Certificate to which this certificate is attached and in its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Bryant Miller Olive P.A., Tallahassee, Florida, as bond counsel may also rely on this certificate for purposes of its opinion regarding the treatment of interest on the Series 2023 Bonds as excludable from gross income for federal income tax purposes. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein.

Dated: \_\_\_\_\_, 2023

**RAYMOND JAMES & ASSOCIATES, INC.,**  
as Underwriter

By: \_\_\_\_\_  
James A. Wright  
Managing Director- Municipal Underwriting

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE [AND HOLD-THE-OFFERING  
PRICE] MATURITIES**

**General Rule Maturities**

**Hold-the-Offering Price Maturities**

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

**EXHIBIT D**

**OPINION OF COUNSEL TO THE ISSUER**

\_\_\_\_\_, 202\_

Board of Commissioners of the  
Lake Wales Community  
Development Agency  
City of Lake Wales, Florida

Bryant Miller Olive, P.A.  
Tampa, Florida

Raymond James & Associates, Inc.  
St. Petersburg, Florida

Ladies and Gentlemen:

I am the counsel for the Lake Wales Community Redevelopment Agency (the "Issuer") and have served as counsel to the Issuer in connection with the issuance and sale by the Issuer of its Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Series 2023 (the "Series 2023 Bonds"), to the Underwriter named in the Purchase Contract referred to herein. Terms used herein which are defined in said Purchase Contract shall have the meanings specified therein or, if not defined therein, in Resolution CRA No. \_\_\_\_ adopted by the Issuer on December 20, 2022 (the "Resolution").

I have examined, among other things, the Act, the Resolution, the proceedings of the Issuer with respect to the adoption of the Resolution, the authorization, execution and delivery of the Continuing Disclosure Certificate to be executed by the Issuer dated the date hereof (the "Issuer Continuing Disclosure Certificate"), the Interlocal Agreement, the Purchase Contract and the Official Statement, the proceedings of the Issuer relating to the Project and certificates and other documents relating to the Issuer, the Series 2023 Bonds, the Resolution, the Issuer Continuing Disclosure Certificate, the Interlocal Agreement and the Purchase Contract, and have made such other examination of applicable Florida law as I have deemed necessary in giving this opinion.

Based upon the foregoing, I am of the opinion that:

(A) The Issuer was duly created pursuant to Ordinance 85-10 enacted by the City of Lake Wales, Florida (the "City") on December 3, 1985 (as amended and supplemented, the "CRA Charter") and Section 163.355, Florida Statutes, and pursuant to Ordinance No.

2010-27 enacted on November 16, 2010 and Section 163.357(1)(a), Florida Statutes, the City Commission of the City of Lake Wales, Florida serves in the capacity of the governing board of the Issuer and exercises all rights, powers, duties, privileges and immunities vested in a community redevelopment agency.

(B) The Issuer is a duly organized and validly existing community redevelopment agency under the laws of the State of Florida, and has full legal right, power and authority to adopt the Resolution and to authorize and issue the Series 2023 Bonds. The Resolution has been adopted by the Issuer, is in full force and effect and constitutes a valid, legal and binding obligation of the Issuer enforceable in accordance with its terms.

(C) As of the date hereof, the Issuer has duly performed all obligations to be performed by it pursuant to the Resolution.

(D) The Issuer Continuing Disclosure Certificate, the Interlocal Agreement, the Series 2023 Bonds and the Purchase Contract each have been duly authorized, executed and delivered by the Issuer and each constitutes valid and binding agreement of the Issuer enforceable in accordance with their respective terms.

(E) The Issuer has the power and authority under the laws of the State to collect the Tax Increment Revenues and pledge the Tax Increment Revenues to pay the Series 2023 Bonds and interest thereon in accordance with the terms of the Resolution.

(F) The adoption of the Resolution and the execution and delivery of the Issuer Continuing Disclosure Certificate, the Interlocal Agreement, the Purchase Contract and the Series 2023 Bonds, and compliance with the provisions thereof, will not conflict with or constitute a material breach of or default under any existing law, administrative regulation, court decree, resolution or agreement to which the Issuer is subject.

(G) Except as disclosed in the Official Statement, to the best of my knowledge after due inquiry with respect thereto, no litigation or other proceedings are pending or threatened in any court or other tribunal of competent jurisdiction, State or Federal, in any way (1) restraining or enjoining the issuance, sale or delivery of any of the Series 2023 Bonds, or (2) questioning or affecting the validity of the Interlocal Agreement, the Issuer Continuing Disclosure Certificate, the Purchase Contract, the Series 2023 Bonds, the Resolution, or the pledge of the Issuer of the Pledged Revenues as provided in the Resolution, or (3) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, registration, issuance or delivery of the Series 2023 Bonds and the security therefor; or (4) questioning or affecting (a) the organization, existence, powers or boundaries of the Issuer or the organization, existence or powers of Board or the title to office of the officers thereof, or (b) the power or authority of the Issuer to pledge the Pledged Revenues; or (5) which could materially adversely affect the operations of the Issuer or the financial condition of the Issuer.

(H) The Official Statement has been duly authorized, executed and delivered for use in connection with the sale of the Series 2023 Bonds.

(I) Nothing has come to my attention that would lead me to believe that the Preliminary Official Statement or the Official Statement, as of their respective dates, or as of the date hereof with respect to the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except as to statistical or financial data or information as to DTC or its book-entry system of registration contained therein as to which no opinion is expressed).

(J) All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the Issuer of its obligations under the Issuer Continuing Disclosure Certificate, the Interlocal Agreement, the Purchase Contract, the Resolution, the Series 2023 Bonds and the other documents relating to the Series 2023 Bonds have been obtained and are in full force and effect.

All of the above opinions as to enforceability of the legal obligations of the Issuer may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, in each case relating to or affecting the enforcement of creditors rights generally, and other general principles of equity.

The letter is addressed to you and is not to be used, circulated, quoted or otherwise referred to for any other purpose without, in each case, my express written consent.

Very truly yours,

**EXHIBIT E**  
**FORM OF CITY ATTORNEY OPINION**

\_\_\_\_\_, 202\_

Mayor and City Commissioners  
of Lake Wales, Florida

Board of Commissioners of the  
Lake Wales Community  
Development Agency  
City of Lake Wales, Florida

Bryant Miller Olive, P.A.  
Tampa, Florida

Raymond James & Associates, Inc.  
St. Petersburg, Florida

Ladies and Gentlemen:

I am the City Attorney for the City of Lake Wales, Florida (the "City") and have served as counsel to the City in connection with the issuance and sale by the Lake Wales Community Redevelopment Agency (the "Agency") of its Redevelopment Revenue Bonds, Series 2023 (the "Series 2023 Bonds"), to the Underwriter named in the Purchase Contract referred to herein. Terms used herein which are defined in said Purchase Contract shall have the meanings specified therein or, if not defined therein, in Resolution CRA No. \_\_\_ adopted by the Agency on December 20, 2022.

I have examined, among other things, the Act, the Resolution, the City Resolution, the proceedings of the City with respect to the authorization, execution and delivery of the Continuing Disclosure Certificate to be executed and delivered by the City on the date hereof (the "City Continuing Disclosure Certificate") and the Interlocal Agreement and other documents relating to the City, and have made such other examination of applicable Florida law as I have deemed necessary in giving this opinion.

Based upon the foregoing, I am of the opinion that:

(A) The City is a duly existing municipal corporation of the State of Florida (the "State") and had and has good right and lawful authority under the Constitution and laws

of the State to adopt the City Resolution. The City Resolution has been duly adopted by the City, is in full force and effect and constitutes the valid, legal and binding obligation of the City enforceable in accordance with its terms.

(B) The Agency was duly created pursuant to Part III, Chapter 163, Florida Statutes, as amended, and Ordinance 85-10 on December 3, 1985 (as amended, the "CRA Charter").

(C) The City properly established the existing community redevelopment areas in accordance with Section 163.355, Florida Statutes pursuant to Ordinance No. 87-11 enacted on June 30, 1987, as amended, Resolution 99-02 adopted on May 4, 1999, as amended, and Ordinance 90-05 enacted on June 19, 1990, as amended (as established, modified and/or expanded by ordinances and resolutions of the City Commission adopted from time to time, collectively, the "Community Redevelopment Area").

(D) The Project is included within the Lake Wales Community Redevelopment Plan, approved and adopted by the City Commission pursuant to Resolution 99-06 adopted on June 1, 1999, as amended from time to time and particularly as amended by Resolution 2002-03 adopted on May 7, 2002, Resolution 2003-26 adopted on September 2, 2003, Resolution 2006-04 adopted on March 7, 2006, Resolution 2007-14 adopted on June 19, 2007, Resolution 2018-12 adopted on May 15, 2018, and Resolution 2021-22 adopted on September 19, 2021 (the "Community Redevelopment Plan").

(E) The City properly established the community redevelopment trust fund (the "Redevelopment Trust Fund") in Ordinance No. 87-8, enacted on June 30, 1987, as amended and supplemented, providing for the deposit of the revenues received by the City which derive from the Community Redevelopment Area and which represent the tax increment (the "Tax Increment Revenues") to be used for the sole benefit of the Authority.

(F) As of the date hereof, the City has duly performed all obligations to be performed by it pursuant to the City Resolution.

(G) The Interlocal Agreement and the City Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the City and constitute a valid and binding agreement of the City enforceable in accordance with their respective terms.

(H) If Tax Increment Revenues are insufficient to timely pay debt service on the Series 2023 Bonds, the City has the power and authority under the laws of the State to covenant to budget and appropriate, and to use the Non-Ad Valorem Revenues to pay the Series 2023 Bonds and interest thereon in accordance with the terms of the City Resolution and the Interlocal Agreement.

(I) The adoption of the City Resolution and the execution and delivery of the Interlocal Agreement and the City Continuing Disclosure Certificate, and compliance with

the provisions thereof, will not conflict with or constitute a material breach of or default under any existing law, administrative regulation, court decree, resolution or agreement to which the City is subject.

(J) Except as disclosed in the Official Statement, to the best of my knowledge after due inquiry with respect thereto, no litigation or other proceedings are pending or threatened in any court or other tribunal of competent jurisdiction, State or Federal, in any way (1) questioning or affecting the validity of the Interlocal Agreement, the CRA Charter, the Community Redevelopment Area, the Community Redevelopment Plan, the Redevelopment Trust Fund, the City Resolution, or the covenant of the City to budget and appropriate Non-Ad Valorem Revenues, or (2) questioning or affecting (a) the organization or existence of the City or the Council or the title to office of the officers thereof, or (b) the power or authority of the City to covenant to budget and appropriate the Non-Ad Valorem Revenues; or (3) which could materially adversely affect the operations of the City or the financial condition of the City.

(K) Nothing has come to my attention that would lead me to believe that the Preliminary Official Statement or the Official Statement, as of their respective dates, or as of the date hereof with respect to the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except as to statistical or financial data or information as to DTC or its book-entry system of registration contained therein as to which no opinion is expressed).

(L) All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the City of its obligations under the Interlocal Agreement and the City Continuing Disclosure Certificate have been obtained and are in full force and effect.

All of the above opinions as to enforceability of the legal obligations of the City may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, in each case relating to or affecting the enforcement of creditors rights generally, and other general principles of equity.

The letter is addressed to you and is not to be used, circulated, quoted or otherwise referred to for any other purpose without, in each case, my express written consent.

Very truly yours,

## EXHIBIT F

### CERTIFICATE OF ISSUER

The undersigned, Robin Gibson, Chairman of the Lake Wales Community Redevelopment Agency (the "Issuer") DOES HEREBY CERTIFY as follows:

1. The representations, warranties, covenants and agreements of the Issuer contained in the Purchase Contract dated \_\_\_\_\_, 202\_, between the Issuer and the Underwriter named therein (the "Purchase Contract"), with respect to the sale by the Issuer of its \$ \_\_\_\_\_ Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Series 2023 (the "Series 2023 Bonds"), are true and correct in all respects on and as of the date of the Closing as if made on the date hereof.

2. Except as disclosed in the Official Statement, dated \_\_\_\_\_, 202\_, relating to the Series 2023 Bonds (the "Official Statement"), no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government authority or public board or body, is pending against or, to the best of our knowledge, threatened against the Issuer, affecting the legal existence of the Issuer or the titles of its officers to their respective offices or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2023 Bonds, or the collection of the Pledged Revenues, or in any way contesting or affecting the validity or enforceability of the Series 2023 Bonds, the Resolution, the Issuer Continuing Disclosure Certificate, the Interlocal Agreement and the Purchase Contract or contesting the tax-exempt status of the interest on the Series 2023 Bonds as described in the Official Statement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or the Board of Commissioners of the Lake Wales Community Redevelopment Agency (the "Board") or any authority or proceedings for the issuance, sale and delivery of the Series 2023 Bonds, the adoption of the Resolution, or the execution and delivery of the Issuer Continuing Disclosure Certificate, the Interlocal Agreement or the Purchase Contract, nor to the best of our knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series 2023 Bonds, the Resolution, the Issuer Continuing Disclosure Certificate, the Interlocal Agreement or the Purchase Contract.

3. We have no knowledge or reason to believe that the Preliminary Official Statement, as of its date, or the Official Statement as of its date and as of the date hereof contained or contains as the case may be, any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than information herein related to DTC and its book-entry only system of registration, the information contained under the caption "TAX MATTERS" and

information contained under the caption "UNDERWRITING", which is provided by the Underwriters, as to which no view shall be expressed).

4. The Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof pursuant to the Purchase Contract.

5. The financial statements and the other financial and statistical data relating to the Issuer included in the Official Statement are true and correct as of the date hereof.

6. Since the date of the financial statements included in the Official Statement, (i) no material and adverse change has occurred in the financial condition of the Issuer. and (ii) the Issuer has not incurred any material liabilities other than in the ordinary course of business, except as set forth in or contemplated by the Official Statement.

7. Except as disclosed in the Official Statement, the Issuer is compliance with its continuing disclosure undertakings under the Rule.

All capitalized terms used herein which are not otherwise defined shall have the same meanings as in the Purchase Contract.

\_\_\_\_\_, 202\_

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Chairman of the Lake Wales Florida  
Community Redevelopment Agency

## EXHIBIT G

### CERTIFICATE OF CITY

The undersigned, Mayor, Jack Hilligoss and Jennifer Nanek, City Clerk of the City of Lake Wales, Florida (the "City") DO HEREBY CERTIFY as follows:

1. Except as disclosed in the Official Statement, dated \_\_\_\_\_, 202\_ (the "Official Statement"), relating to the Lake Wales Community Redevelopment Agency Redevelopment Revenue Bonds, Series 2023 (the "Series 2023 Bonds"), no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government authority or public board or body, is pending against or, to the best of our knowledge, threatened against the City, affecting the legal existence of the City or the titles of its officers to their respective offices or affecting or seeking to prohibit, restrain or enjoin the City's covenant to budget and appropriate such Non-Ad Valorem Revenues to pay the Series 2023 Bonds, in accordance with the terms of the Interlocal Agreement, or in any way contesting or affecting the validity or enforceability of the Series 2023 Bonds, the City Resolution, the CRA Charter, the Community Redevelopment Area, the Community Redevelopment Plan, the Redevelopment Trust Fund, the Interlocal Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the City, the adoption of the City Resolution, or the execution and delivery of the Interlocal Agreement, nor to the best of our knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Interlocal Agreement.

2. No event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact related to the City required to be stated therein or necessary to make the statements therein related to the City, in the light of the circumstances under which they were made, not misleading, and which has not been disclosed in a supplement or amendment to the Official Statement.

3. The financial statements and the other financial and statistical data relating to the City included in the Official Statement are true and correct as of the date hereof.

4. The City has reviewed the Preliminary Official Statement and the Official Statement and the information attributable to the City therein, including but not limited to the information in the sections entitled "THE CITY," "GENERAL INFORMATION REGARDING NON-AD VALOREM REVENUES," "PENSION AND OTHER POST EMPLOYMENT BENEFIT PLANS," "LITIGATION," "APPENDIX A - General Information Regarding the City of Lake Wales, Florida" and "APPENDIX B-2 - City of

Lake Wales, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2021" attached thereto and such information in the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the date hereof, does not contain any untrue statement of a material fact or omit or fail to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

5. Since the date of the financial statements included in the Official Statement, (i) no material and adverse change has occurred in the financial condition of the City and (ii) the City has not incurred any material liabilities other than in the ordinary course of business, except as set forth in or contemplated by the Official Statement.

6. Except as disclosed in the Official Statement, the City is in compliance with its continuing disclosure undertakings under the Rule.

All capitalized terms used herein which are not otherwise defined shall have the same meanings as in the Purchase Contract.

\_\_\_\_\_, 202\_

(Seal)

\_\_\_\_\_  
Mayor  
of the City of Lake Wales, Florida

ATTEST:

\_\_\_\_\_  
City Clerk

**EXHIBIT C**

**FORM OF PRELIMINARY OFFICIAL STATEMENT**

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2023**

**NEW ISSUE - Full Book-Entry**

**Ratings: See "RATINGS" herein**

*In the opinion of bond counsel, assuming compliance by the Agency with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2023 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Series 2023 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under Section 55 of the Code. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2023 Bonds.*

\$ \_\_\_\_\_ \*

**LAKE WALES COMMUNITY REDEVELOPMENT AGENCY  
Redevelopment Revenue Bonds, Series 2023**

Dated: Date of Delivery

Due: September 1, as shown on inside cover

The Lake Wales Community Redevelopment Agency (the "Agency") Redevelopment Revenue Bonds, Series 2023 (the "Series 2023 Bonds") will be issued only as fully registered bonds and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be available to purchasers in denominations of \$5,000 and any multiple thereof only under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive delivery of the Series 2023 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 2023 Bond, the purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on such Series 2023 Bond. See "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System" herein. Interest on the Series 2023 Bonds will be payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2023.

The Series 2023 Bonds are being issued pursuant to Chapter 163, Part III, Florida Statutes, as amended, Resolution 2021-24 adopted by the City of Lake Wales, Florida (the "City") on October 19, 2021, as amended and supplemented, as particularly supplemented by Resolution 2022-\_\_\_ adopted by the City on \_\_\_\_\_, 2022 (collectively, the "City Resolution"), Resolution 2021-03 adopted by the Agency on October 12, 2021, as amended and supplemented, as particularly supplemented by Resolution 2022-\_\_\_ adopted by the Agency on December 20, 2022 (collectively, the "2022 Resolution" and together with the City Resolution, the "Resolution"), and an Interlocal Agreement between the Agency and the City dated as of October 13, 2021, in connection with the issuance of the Series 2023 Bonds (the "Interlocal Agreement"), and other applicable provisions of law (collectively, the "Act") for the purpose of (i) financing all or a portion of the cost of the creation, acquisition, construction and equipping of various capital improvements and programs, as more particularly described herein, within the redevelopment area as declared by the City in Resolution No. 99-06 adopted by the City on June 1, 1999, as amended and supplemented (the "Redevelopment Area"), that are approved by the Redevelopment Plan (as defined herein), as may be amended from time to time, (see "THE PROJECT" herein) and (ii) paying the costs of issuance of the Series 2023 Bonds.

The Series 2023 Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE SERIES 2023 BONDS – Optional Redemption" and "DESCRIPTION OF THE SERIES 2023 BONDS – Mandatory Redemption" herein.

The principal and interest on the Series 2023 Bonds are payable from and secured by a pledge of and lien upon (1) the revenues received by the Agency which derive from the Redevelopment Area and which represent the tax increment paid into the Redevelopment Trust Fund established under Ordinance No. 87-8 enacted by the City on July 2, 1985, as amended and restated by Ordinance No. 2007-23 enacted on June 19, 2007 (the "Tax Increment Revenues") on parity with the Redevelopment Revenue Note, Series 2007, and (2) all revenues of the City not derived from ad valorem taxation that are lawfully available to be used to pay debt service on the Series 2023 Bonds (the "Non-Ad Valorem Revenues"), provided by the City to the Agency pursuant to the Interlocal Agreement or the City Resolution and (3) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder except for the Rebate Account (collectively, the "Pledged Revenues"). Pursuant to the Interlocal Agreement, subject to the limitations described therein, the City has covenanted with the Agency and the holders of the Series 2023 Bonds that the City shall appropriate in its annual budget by amendment, if necessary, solely from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts which will be sufficient to pay debt service on the Series 2023 Bonds not being paid from Tax Increment Revenues or from other amounts as the same shall become due. See "SECURITY FOR THE SERIES 2023 BONDS" herein.

**THE SERIES 2023 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE AGENCY OR THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE AGENCY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED REVENUES IN ACCORDANCE WITH AND TO THE EXTENT SET FORTH IN THE RESOLUTION AND THE INTERLOCAL AGREEMENT. NO HOLDER OF ANY SERIES 2023 Bond SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2023 BONDS, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2023 BONDS FROM ANY MONEYS EXCEPT FROM THE PLEDGED REVENUES IN ACCORDANCE WITH THE RESOLUTION.**

Based on market conditions in existence at the time of pricing, the Agency will determine whether or not to purchase insurance on all, some or none of the Series 2023 Bonds. See "OPTIONAL BOND INSURANCE" herein.

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

*The Series 2023 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Agency and the City by their attorney, Albert C. Galloway, Jr. P.A., Lake Wales, Florida and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. Nabors, Giblin & Nickerson, P.A., Tampa, Florida is serving as special counsel to the Underwriter with respect to the issuance of the Bonds. It is expected that settlement for the Series 2023 Bonds will occur through the facilities of DTC in New York, New York, on or about December \_\_\_\_, 2022.*

**RAYMOND JAMES**

Dated: \_\_\_\_\_, 2022

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\*Preliminary, subject to change.

\$ \_\_\_\_\_ \*

**LAKE WALES COMMUNITY REDEVELOPMENT AGENCY**  
**Redevelopment Revenue Bonds, Series 2023**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES  
AND INITIAL CUSIP NUMBERS**

\$ \_\_\_\_\_ Serial Series 2023 Bonds

<u>Maturity</u> <u>(September 1)*</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial</u> <u>CUSIP No.**</u>
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\$ \_\_\_\_\_ \* \_\_\_\_\_ % Term Series 2023 Bonds due September 1, \_\_\_\_\_ - Price \_\_\_\_\_ - Yield \_\_\_\_\_ % - Initial CUSIP No. \_\_\_\_\_ \*\*

\$ \_\_\_\_\_ \* \_\_\_\_\_ % Term Series 2023 Bonds due September 1, \_\_\_\_\_ - Price \_\_\_\_\_ - Yield \_\_\_\_\_ % - Initial CUSIP No. \_\_\_\_\_ \*\*

\* Preliminary, subject to change.

\*\* Neither the Agency nor the Underwriter is responsible for the use of CUSIP numbers, nor is a representation made as to their correctness. The CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

**RED HERRING LANGUAGE:**

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2023 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The Agency has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

**BOARD OF COMMISSIONERS  
OF THE LAKE WALES  
COMMUNITY REDEVELOPMENT AGENCY**

Eugene Fultz, Mayor  
Daniel Williams  
Terrye Y. Howell  
Jack Hilligoss  
Robin Gibson

**EXECUTIVE DIRECTOR OF COMMUNITY REDEVELOPMENT AGENCY**  
James Slaton

**COMMUNITY REDEVELOPMENT AGENCY ATTORNEY**  
Albert C. Galloway, Jr., P.A.

**FINANCE DIRECTOR OF THE CITY**  
Dorothy Abbott

**FINANCIAL ADVISOR**  
Ford & Associates, Inc.  
Tampa, Florida

**BOND COUNSEL AND DISCLOSURE COUNSEL**  
Bryant Miller Olive P.A.

No dealer, broker, salesman or other person has been authorized by the Agency, the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2023 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from the Agency, the City and DTC and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as representations of the Underwriter. The information and expressions of opinion stated herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the affairs of the Agency or the City since the date hereof or the earliest date as of which such information is given or the implication that any information herein is correct as of any time subsequent to its date.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibility to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2023 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2023 BONDS. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, FORECASTS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED IN THIS OFFICIAL STATEMENT, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS REPRESENTATIONS OF FACTS. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE THE IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AGENCY SINCE THE DATE OF OFFICIAL STATEMENT OR THE EARLIEST DATE AS OF WHICH SUCH INFORMATION IS GIVEN.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2023 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR WITH ANY STATE SECURITIES AGENCY. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE AGENCY AND THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2023 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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**LAKE WALES COMMUNITY REDEVELOPMENT AGENCY,  
Redevelopment Revenue Bonds, Series 2023**

**INTRODUCTORY STATEMENT**

This Official Statement including the cover page and appendices, is provided by the Lake Wales Community Redevelopment Agency (the "Agency"), in order to set forth certain information regarding the Agency's \$ \_\_\_\_\_ \* aggregate principal amount of Redevelopment Revenue Bonds, Series 2023 (the "Series 2023 Bonds"), authorized by Chapter 163, Part III, Florida Statutes, as amended, Resolution 2021-24 adopted by the City of Lake Wales, Florida (the "City") on October 19, 2021, as amended and supplemented, as particularly supplemented by Resolution 2022-\_\_\_ adopted by the City on \_\_\_\_\_, 2022 (collectively, the "City Resolution"), Resolution 2021-03 adopted by the Agency on October 12, 2021, as amended and supplemented, as particularly supplemented by Resolution 2022-\_\_\_ adopted by the Agency on December 20, 2022 (collectively, the "2022 Resolution" and together with the City Resolution, the "Resolution"), and an Interlocal Agreement between the Agency and the City dated as of October 13, 2021, in connection with the issuance of the Series 2023 Bonds (the "Interlocal Agreement"), and other applicable provisions of law (collectively, the "Act").

This introduction is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement and should not be considered to be a complete statement of the facts material to making an informed investment decision.

The Series 2023 Bonds are being issued for the purpose of (i) financing all or a portion of the cost of the creation, acquisition, construction and equipping of various capital improvements and programs within the City's Redevelopment Area, as hereinafter defined, as approved by the Redevelopment Plan, as hereinafter defined (collectively, the "Project") (see "THE PROJECT" herein for more detailed information) and (ii) paying the costs of issuance of the Series 2023 Bonds.

The principal and interest on the Series 2023 Bonds are payable from and secured by a pledge of and lien upon (1) the revenues received by the Agency which derive from the Redevelopment Area and which represent the tax increment paid into the Redevelopment Trust Fund established under Ordinance No. 87-8 enacted by the City on July 2, 1985, as amended and restated by Ordinance No. 2007-23 enacted on June 19, 2007 (the "Tax Increment Revenues") on parity with the Redevelopment Revenue Note, Series 2007 (the "2007 Note"), and (2) all revenues of the City not derived from ad valorem taxation that are lawfully available to be used to pay debt service on the Series 2023 Bonds (the "Non-Ad Valorem Revenues"), provided by the City to the Agency pursuant to the Interlocal Agreement or the City Resolution and (3) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder except for the Rebate Account (collectively, the "Pledged Revenues"). Pursuant to the City Resolution and the Interlocal Agreement, subject to the limitations described therein, the City has covenanted with the Agency and the holders of the Series 2023 Bonds that the City shall appropriate in its annual budget by amendment, if necessary, solely from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts which will be sufficient to pay debt service on the Series 2023 Bonds not being paid from Tax Increment Revenues or from other amounts so the same shall become due. See "SECURITY FOR THE SERIES 2023 BONDS" herein.

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\*Preliminary, subject to change.

All capitalized terms used in this Official Statement not normally capitalized and not otherwise defined herein, shall have the same meaning as provided in the Resolution. The form of the Resolution is attached to this Official Statement as APPENDIX C. The descriptions of the Series 2023 Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained from the Agency.

## **THE AGENCY**

The Agency was created pursuant to Ordinance 85-10 enacted by the City Commission on December 3, 1985, as amended and supplemented from time to time (the "Agency Charter"), and Section 163.356, Florida Statutes. The Agency is a dependent taxing district authorized by Chapter 163, Part III, Florida Statutes (the "Redevelopment Act") and the Agency Charter to exercise community redevelopment powers in the Redevelopment Area to eliminate, rehabilitate and prevent conditions of blight therein pursuant to the Redevelopment Plan. The purpose of the Agency is to encourage, support and provide economic redevelopment of designated areas in the Redevelopment Area, as hereafter described in "TAX INCREMENT REVENUES". The Redevelopment Area encompasses approximately \_\_\_\_ square miles.

Pursuant to Ordinance No. 2010-27 enacted on November 16, 2010 and Section 163.357(1)(a), Florida Statutes, the City Commission serves in the capacity of the governing board of the Agency and shall exercise all rights, powers, duties, privileges and immunities vested in a community redevelopment agency.

## **THE CITY**

The City is located in the geographical center of the Florida peninsula, and is accessible by U.S. Highway 27 (north/south) and State Road 60 (east/west). Interstate 4 crosses the state 25 miles north of Lake Wales, and both the Tampa and Orlando International Airports are approximately one hour's drive away. It currently occupies 20.57 square miles and serves a population of 17,001. See APPENDIX A attached hereto for more information.

## **THE PROJECT**

The Project consists of the creation, acquisition, construction and equipping of various capital improvements and programs, specifically the Park Avenue streetscape construction, the 1<sup>st</sup> Street streetscape design and construction, the Lincoln Avenue design, the Scenic Highway Roundabouts design, the Central Avenue improvement and construction, the Northwest Neighborhood sidewalks and Street Tree improvements, the Park Avenue Connector Trail construction, the Crystal Lake Park Trail construction, the Bok Tower Connector Trail design and other CRA Area improvements and streetscape accessories, all as described in the Resolution, within the Redevelopment Area and as approved by the Lake Wales Community Redevelopment Plan approved and adopted by the City Commission pursuant to its Resolution 99-06 adopted on June 1, 1999, as amended from time to time and particularly as amended by Resolution 2002-03 adopted on May 7, 2002, Resolution 2003-26 adopted on September 2, 2003, Resolution 2006-04 adopted on March 7, 2006, Resolution 2007-14 adopted on June 19, 2007, Resolution 2018-12 adopted on May 15, 2018, and Resolution 2021-22 adopted on October 19, 2021 (the

"Redevelopment Plan"), as may be amended from time to time. The Project is included within the Redevelopment Plan.

## DESCRIPTION OF THE SERIES 2023 BONDS

### General

The Series 2023 Bonds shall be dated as of their date of delivery and shall be issued in the form of fully registered bonds in Authorized Denominations. The Series 2023 Bonds will bear interest at the rates and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. The Series 2023 Bonds will bear interest from their date of delivery, payable semiannually commencing on September 1, 2023 and each March 1 and September 1 thereafter (each an "Interest Date"). Principal of, redemption premium, if any, and interest on the Series 2023 Bonds will be payable to Cede & Co., as nominee for the Depository Trust Company ("DTC") as registered owner of the Series 2023 Bonds, by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ as Paying Agent for the Series 2023 Bonds. See "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System" herein.

### Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AGENCY BELIEVES TO BE RELIABLE. THE AGENCY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2023 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2023 BondHOLDERS OR REGISTERED OWNERS OF THE SERIES 2023 BONDS SHALL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2023 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2023 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2023 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2023 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2023 BONDS, AND OTHER RELATED TRANSACTIONS.

BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2023 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE AGENCY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2023 Bond certificate will be issued for each maturity of the Series 2023 Bonds as set forth in the inside cover of this Official Statement, in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of

the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has an S&P Global Ratings ("S&P") rating of \_\_\_. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2023 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2023 Bonds may wish to ascertain that the nominee

holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Agency or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Paying Agent, or the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Agency and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the Agency or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2023 Bond certificates are required to be printed and delivered.

The Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2023 Bond certificates will be printed and delivered to DTC.

### **Optional Redemption**

The Series 2023 Bonds maturing on or prior to September 1, \_\_\_\_ are not subject to redemption prior to their respective stated maturities. The Series 2023 Bonds maturing on or after September 1, \_\_\_\_ are subject to redemption prior to their respective maturities, at the option of the Agency, from any moneys legally available therefor, upon notice as provided in the Resolution, in whole or in part, at any time on or after September 1, \_\_\_\_, and if in part by lot within a maturity and in such selection of maturities as the Agency shall deem appropriate, at the Redemption Price of one hundred percent (100%) of principal amounts of the Series 2023 Bonds to be redeemed, without premium, plus accrued interest to the date of redemption.

## Mandatory Redemption

The Series 2023 Bonds maturing on September 1, \_\_\_\_ will be subject to mandatory redemption prior to their maturity, by lot, in such manner as the Registrar may deem appropriate, at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, on September 1, \_\_\_\_ and on each September 1 thereafter, in the following amounts in the years specified:

<u>Year</u>	<u>Amount</u>
*	\$

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\*Maturity.

## Notice of Redemption

Notice of such redemption, which shall specify the Series 2023 Bond or Series 2023 Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Agency, and (A) shall be filed with the Paying Agent of such Series 2023 Bonds, and (B) shall be mailed first class, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to all Holders of Series 2023 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice. Failure to mail such notice to the Holders of the Series 2023 Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Series 2023 Bonds as to which no such failure or defect has occurred. Failure of any Series 2022 Holder to receive any notice mailed as provided in the Resolution shall not affect the proceedings for redemption of such Series 2022 Holder's Series 2023 Bonds.

Each notice of redemption shall state: (1) the CUSIP numbers and any other distinguishing number or letter of all Series 2023 Bonds being redeemed, (2) the original issue date of such Series 2023 Bonds, (3) the maturity date and rate of interest borne by each Series 2023 Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Series 2023 Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Series 2023 Bond, the principal amount) of each Series 2023 Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Series 2023 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2023 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Series 2023 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the Agency for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

The Agency may provide that a redemption may be contingent upon the occurrence of certain conditions and that if such conditions do not occur the notice of redemption will be rescinded, provided

notice of rescission shall be mailed in the manner described above to all affected Series 2023 Bondholders not later than three business days prior to the date of redemption.

### **Interchangeability, Negotiability and Transfer**

*So long as the Series 2023 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to transfer and exchange of Series 2023 Bonds do not apply to the Series 2023 Bonds.*

The Series 2023 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2023 Bonds and maturity of any other Authorized Denominations.

The Series 2023 Bonds shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2023 Bonds. So long as any of the Series 2023 Bonds shall remain Outstanding, the Agency shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2023 Bonds.

The transfer of any Series 2023 Bond shall be registered only upon the books of the Agency, at the office of the Registrar, under such reasonable regulations as the Agency may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the registration or transfer of any such Series 2023 Bond, the Agency shall issue, and cause to be authenticated, in the name of the transferee a new Series 2023 Bond or Series 2023 Bonds of the same aggregate principal amount, series and maturity as the surrendered Series 2023 Bond. The Agency, the Registrar and the Paying Agent or fiduciary of the Agency may deem and treat the Person in whose name any Outstanding Series 2023 Bond shall be registered upon the books of the Agency as the absolute owner of such Series 2023 Bond, whether such Series 2023 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Series 2023 Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2023 Bond to the extent of the sum or sums so paid and neither the Agency nor the Registrar nor any Paying Agent or other fiduciary of the Agency shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Series 2023 Bonds or the transfer of Series 2023 Bonds shall be registered, the Agency shall execute and the Registrar shall authenticate and deliver such Series 2023 Bonds in accordance with the provisions of the Resolution. Execution of Series 2023 Bonds by the Chairman or Vice-Chairman of the Board for purposes of exchanging, replacing or registering the transfer of Series 2023 Bonds may occur at the time of the original delivery. All Series 2023 Bonds surrendered in any such exchanges or registration of transfer shall be held by the Registrar in safekeeping until directed by the Agency to be canceled by the Registrar. For every such exchange or registration of transfer, the Agency or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Agency and the Registrar may, but shall not be obligated to, make any such exchange or transfer of the Series 2023 Bonds during the fifteen (15) days next preceding an Interest Date on the Series 2023 Bonds or, in the case of any proposed redemption of the Series 2023 Bonds, then, for the Series 2023

Bonds subject to redemption, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

## SECURITY FOR THE SERIES 2023 BONDS

### Limited Obligations

**THE SERIES 2023 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE AGENCY OR THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE AGENCY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED REVENUES IN ACCORDANCE WITH AND TO THE EXTENT SET FORTH IN THE RESOLUTION AND THE INTERLOCAL AGREEMENT. NO HOLDER OF ANY SERIES 2023 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2023 BONDS, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2023 BONDS FROM ANY MONEYS EXCEPT FROM THE PLEDGED REVENUES IN ACCORDANCE WITH THE RESOLUTION.**

### Pledged Revenues

The Series 2023 Bonds are limited obligations of the Agency payable solely from and secured solely by the Pledged Revenues. The Series 2023 Bonds are secured by a lien upon and a pledge of the Pledged Revenues. The Pledged Revenues consist of (1) the Tax Increment Revenues, (2) Non-Ad Valorem Revenues provided by the City to the Agency pursuant to the Interlocal Agreement or the City Resolution, and (3) until applied in accordance with the provisions of the Resolution, all monies including investments thereof, in the funds and accounts established under the Resolution, except for the Rebate Account. "Tax Increment Revenues" means the revenues received by the Agency which derive from the Redevelopment Area and which represent the tax increment paid into the Redevelopment Trust Fund. See "TAX INCREMENT REVENUES – General" herein for more information about the Redevelopment Area and expiration dates in the various areas of the Redevelopment Area for the collection of Tax Increment Revenues. "Non-Ad Valorem Revenues" means all revenues of the City not derived from ad valorem taxation that are lawfully available to be used to pay debt service on the Series 2023 Bonds.

The Agency previously issued its 2007 Note in the principal amount of \$9,500,000 to finance the costs of creation, acquisition, construction and equipping of various capital improvements and programs within the Redevelopment Area. As of \_\_\_\_\_, 2022, there is currently \$\_\_\_\_\_ outstanding with a final maturity date of October 1, 2027. The 2007 Note is secured by Tax Increment Revenues on parity with the Series 2023 Bonds and Non-Ad Valorem Revenues budgeted and appropriated by the City as provided in the 2007 Note. In the event of default, the holder of the 2007 Note has the right to declare the entire unpaid balance of the 2007 Note immediately due and payable.

For more information, see "TAX INCREMENT REVENUES" herein. Also, see "GENERAL INFORMATION REGARDING CERTAIN NON-AD VALOREM REVENUES" herein, "APPENDIX A - General Information Regarding the City of Lake Wales, Florida", "APPENDIX B-1 - Lake Wales Community Redevelopment Agency Financial Statements and Independent Auditor's Reports for Fiscal Year Ended September 30, 2021," "APPENDIX B-2 - City of Lake Wales, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2021", and "APPENDIX D – Form of the City Resolution and Interlocal Agreement" attached hereto.

## **Covenant to Budget and Appropriate of the City and Anti-Dilution Test**

Pursuant to the City Resolution and the Interlocal Agreement, the City covenanted with the Agency and the holders of the Series 2023 Bonds that it shall appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, amounts sufficient to pay principal of and interest on the Series 2023 Bonds not being paid from Tax Increment Revenues or from other amounts as the same shall become due. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted and appropriated. The City further acknowledged and agreed that the obligations of the City to include the amount of any deficiency in payments in each of its annual budgets and to pay such deficiencies from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth in the Resolution.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the holder of the Series 2023 Bonds a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in the Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the City under the City Resolution and the Interlocal Agreement shall be payable from the portion of Non-Ad Valorem Revenues budgeted and appropriated as provided for in the City Resolution and the Interlocal Agreement and nothing therein shall be deemed to pledge ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the City and no holder of the Series 2023 Bonds nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the City. Notwithstanding any provisions of the Resolution or the Series 2023 Bonds to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Neither the Resolution nor the obligations of the City pursuant to the Interlocal Agreement shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the City, but shall be payable solely as provided in the City Resolution and the Interlocal Agreement and is subject in all respects to the provisions of Section 166.241, Florida Statutes, and is subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City.

The Interlocal Agreement and the City's covenant to budget and appropriate Non-Ad Valorem Revenues will remain in full force and effect for so long as all or a portion of the Series 2023 Bonds remain outstanding or until such time when the Series 2023 Bonds are legally or economically defeased.

At any time that the Series 2023 Bonds are outstanding, as a condition precedent to the issuance of any debt or the incurrence of any other obligations which are secured by and/or payable from Non-Ad Valorem Revenues, the City agreed pursuant to the City Resolution to certify that it is in compliance with the following: The annual Non-Ad Valorem Revenues received by the City less essential government expenditures for the prior audited fiscal year for which audited financial statements are available equals

at least 1.25 times the existing and projected maximum annual debt service on existing obligations and the proposed obligations payable from or secured by Non-Ad Valorem Revenues calculated as provided in the City Resolution. Debt service on an obligation, the secondary source of payment for which is a covenant to budget and appropriate from Non-Ad Valorem Revenues need only be included in the calculation if the City has used or reasonably expects to apply Non-Ad Valorem Revenues to the payment of debt service, directly or indirectly, on such obligations and only to the extent that amounts other than Non-Ad Valorem Revenues available and pledged to pay such obligations during the prior fiscal year for which audited financial statements are available were less than the maximum annual debt service for such obligations for the then current or any subsequent fiscal year. There is no annual requirement that any coverage ratio be maintained.

For the purposes of these covenants, "maximum annual debt service" means the lesser of the actual maximum annual debt service on all such debt and other obligations, or 15% of the original par amount of such debt and other obligations, in each case, secured by and/or payable solely from the City's Non-Ad Valorem Revenues. As used above, the term "maximum annual debt service" shall only include debt service that the City reasonably expects to apply Non-Ad Valorem Revenues to actually pay; provided however, notwithstanding the foregoing, maximum annual debt service shall include the debt service on any debt which has pledged any of the City's Non-Ad Valorem Revenues or is secured solely by a covenant to budget and appropriate Non-Ad Valorem Revenues. For the purpose of calculating maximum annual debt service on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 7% per annum or (ii) the actual interest rate borne by the variable rate debt for the month immediately preceding such calculation.

For more information, see "GENERAL INFORMATION REGARDING CERTAIN NON-AD VALOREM REVENUES" herein "APPENDIX A - General Information Regarding the City of Lake Wales, Florida," "APPENDIX B-1 - Lake Wales Community Redevelopment Agency Financial Statements and Independent Auditor's Reports for Fiscal Year Ended September 30, 2021," "APPENDIX B-2 - City of Lake Wales, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2021," and "APPENDIX D - Form of City Resolution and Interlocal Agreement" attached hereto.

### **Debt Service Fund**

Pursuant to the Resolution, the Agency has covenanted and agreed to establish a special fund known as the "Debt Service Fund." The Agency shall maintain in the Debt Service Fund two accounts: the "Rebate Account" and the "Debt Service Account."

Beginning on the 25<sup>th</sup> day of the month following the month in which the Series 2023 Bonds are issued and on the 25<sup>th</sup> day of each month thereafter, all unencumbered amounts on deposit in the Redevelopment Trust Fund shall be transferred to the Debt Service Account until such time as the principal and interest coming due on the next two (2) Interest Dates has been fully funded in the Debt Service Account. Thereafter, commencing on each September 25, all unencumbered amounts on deposit in the Redevelopment Trust Fund shall be transferred to the Debt Service Account until such time as the principal and interest coming due on the next two (2) Interest Dates has been fully funded in the Debt Service Account.

At least three (3) Business Days prior to each Interest Date, the Agency shall deposit into the Debt Service Account a sufficient amount of the Pledged Revenues to pay the accrued interest and principal payment (including any Amortization Installment) due on such Interest Date that is not already on

deposit therein. In the event the Tax Increment Revenues available to the Agency on such date shall be insufficient for such purpose, the Agency shall immediately notify the City and request the amount of any shortfall to be funded by the City on or before the applicable Interest Date in accordance with the terms of the Interlocal Agreement.

### **Additional Debt**

The Agency shall not incur additional Debt secured by Tax Increment Revenues on parity with the Series 2023 Bonds unless an Authorized Officer certifies that the Maximum Annual Debt Service coverage for both the Series 2023 Bonds and the parity Debt (calculated on the basis of a year that ends on September 30) exceeds 1.5:1.0. For purposes of this calculation, the numerator shall be calculated based upon the last full Fiscal Year of the Agency which has been audited by an independent certified public accountant, and the denominator shall be calculated based upon the Maximum Annual Debt Service of all Agency Debt secured by Tax Increment Revenues including the proposed debt service. The Agency may not incur Debt with a lien on Tax Increment Revenues which is senior to the lien of the Series 2023 Bondholders. The Agency may incur debt with a lien on Tax Increment Revenues which is junior and subordinate to the lien of the Bondholders if such debt expressly states as much.

### **Construction Fund**

Pursuant to the Resolution, the Agency has covenanted and agreed to establish a special fund to be known as the "Construction Fund", which shall be used only for payment of the Cost of the Project. Moneys in the Construction Fund, until applied in payment of any item of the Cost of the Project in the manner provided in the Resolution, shall be held in trust by the Agency and shall be subject to a lien and charge in favor of the Holders of the Series 2023 Bonds and for the further security of such Holders.

The Agency has covenanted that the acquisition, construction and installation of the Project will be completed without delay and in accordance with sound engineering practices. The Agency shall make disbursements or payments from the Construction Fund to pay the Cost of the Project.

To the extent that other moneys are not available therefor, amounts in an account of the Construction Fund shall be applied to the payment of principal and interest on Series 2023 Bonds when due.

The date of completion of acquisition and construction of the Project shall be filed by an Authorized Officer with the Agency and the City. Promptly after the date of the completion of the Project, and after paying or making provisions for the payment of all unpaid items of the Cost of the Project, the Agency shall use any excess funds to prepay principal and interest amounts due on the Series 2023 Bonds.

### **Separate Accounts**

The moneys required to be accounted for in each of the funds, accounts and subaccounts established in the Resolution may be deposited in a single, non-exclusive bank account, and funds allocated to the various funds, accounts and subaccounts established in the Resolution may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as provided in the Resolution.

The designation and establishment of the various funds, accounts and subaccounts in and by the Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as provided in the Resolution.

**No Reserve for the Series 2023 Bonds**

A debt service reserve fund or account will not be established to further secure the Series 2023 Bonds.

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**ESTIMATED SOURCES AND USES OF FUNDS**

SOURCES OF FUNDS:

Par Amount of Series 2023 Bonds  
Plus/Less: Original Issue Premium/Discount

TOTAL SOURCES:

USES OF FUNDS:

Deposit to Construction Fund  
Costs of Issuance<sup>(1)</sup>

TOTAL USES:

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<sup>(1)</sup> Includes underwriter discount, counsel fees, registrar and paying agent's fees and printing costs.

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## DEBT SERVICE REQUIREMENTS

The following table sets forth the annual payment of principal of and interest on the Series 2023 Bonds and the 2007 Note.

Bond Year Ending <u>October 1</u>	<u>Series 2023 Bonds</u>			2007 Note Annual Debt <u>Service</u>	Combined Annual <u>Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>		

TOTAL

## OPTIONAL BOND INSURANCE

Based on market conditions in existence at the time of pricing the Series 2023 Bonds, the Agency will determine whether or not to purchase insurance on all, some or none of the Series 2023 Bonds. In the event that the Agency deems it in its best interest to purchase a municipal bond insurance policy (the "Policy") with respect to all or a portion of the Series 2023 Bonds (referred to herein as the "Insured Bonds") from a municipal bond insurer (the "Insurer"), disclosure regarding the Insurer and the Policy will be included in the final Official Statement within this section, the "RATINGS" section will be updated to disclose the rating or ratings on any Insured Bonds, the "INVESTMENT CONSIDERATIONS" section will be updated to reflect insurance risk and related factors and a specimen bond insurance policy will be attached hereto as an appendix.

## TAX INCREMENT REVENUES

### General

In accordance with Section 163.355 of the Redevelopment Act, the City Commission determined that certain areas within the City were "blighted areas" within the meaning of the Redevelopment Act and therefore appropriate for community redevelopment, and found that the rehabilitation, conservation or redevelopment, or a combination thereof, of such blighted areas was necessary and in the interest of the public health, safety, morals, or welfare of the residents of the City. Such areas were established by Ordinance No. 87-11 enacted on June 30, 1987, as amended (describing the subarea or district referred to in the Redevelopment Plan as "Area 1"), Resolution 99-02 adopted on May 4, 1999, as amended (describing the subarea or district referred to in the Redevelopment Plan as "Area 2"), and Ordinance 90-05 enacted on June 19, 1990, as amended (describing the subarea or district referred to in the Redevelopment Plan as "Area 3") (Area 3, and together with Area 1 and Area 2, collectively, the "Redevelopment Area"). The time certain for completion of redevelopment activities funded by tax increment for each area is as follows: (a) September 30, 2045 for all redevelopment activities financed by increment revenues in Area 1; (b) September 30, 2051 for all redevelopment activities financed by increment revenues in Area 2; and (c) September 30, 2049 for all redevelopment activities financed by increment revenues in Area 3.

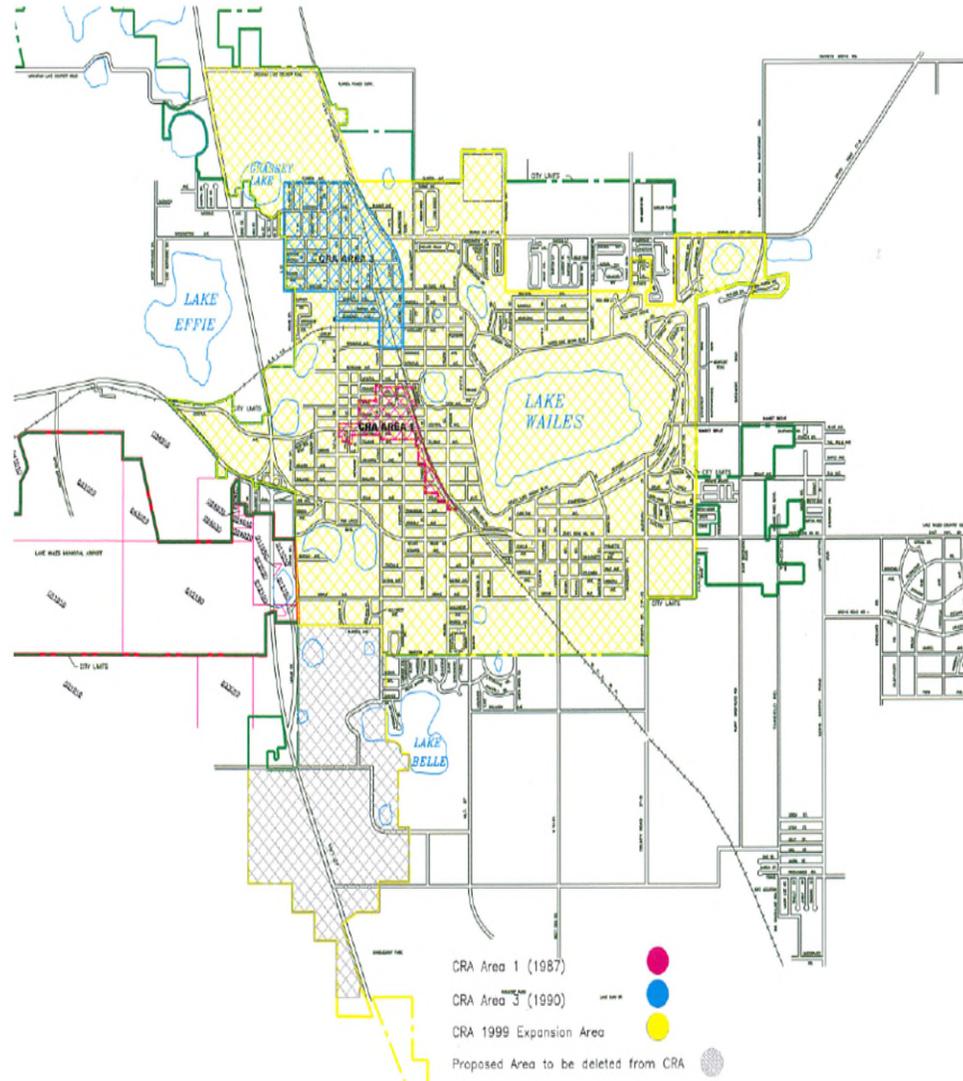
The Series 2023 Bonds are secured in part by the pledge of Tax Increment Revenues deposited into the Redevelopment Trust Fund established by Ordinance No. 87-8 enacted by the City on July 2, 1985, as amended and particularly as amended and restated by Ordinance No. 2007-23 enacted on June 19, 2007 (the "Trust Fund Ordinance"). Each taxing authority that is required to make payments to the Redevelopment Trust Fund (the City and Polk County, Florida (the "County") are the only taxing authorities required to make payments) must do so on or before January 1<sup>st</sup> of each year or be subject to a 5% penalty fee and an additional penalty of 1% for each month such payment remains delinquent.

Required payments to the Redevelopment Trust Fund, from any source available therefore, are based on the initial assessed valuation of taxable real property for each year and are not subject to modification under any circumstances including subsequent adjustments to such assessed valuation, discounts received by taxpayers or the level of actual tax collections or delinquencies. Pursuant to the Act, on or before January 1, each taxing authority must appropriate and pay to the Redevelopment Trust Fund an amount equal to 95% of the difference between:

- (a) For Area 1:
  - i. The amount of ad valorem taxes levied each year by all taxing authorities on taxable real property located within the geographic boundaries of Area 1, and
  - ii. The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by or for all taxing authorities, upon the total of the assessed value of the taxable real property in Area 1, or such other larger amount permitted by law, as shown upon the assessment reflecting valuation of real property for purposes of ad-valorem taxation as of January 1, 1985.
- (b) For Area 2 (sometimes referred to as the “Extended Area”):
  - i. The amount of ad valorem taxes levied each year by all taxing authorities on taxable real property located within the geographic boundaries of Area 2, and
  - ii. The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by or for all taxing authorities, upon the total of the assessed value of the taxable real property in Area 2, or such other larger amount permitted by law, as shown upon the assessment reflecting valuation of real property for purposes of ad-valorem taxation as of January 1, 1998.
- (c) For the Area 3:
  - i. The amount of ad valorem taxes levied each year by all taxing authorities on taxable real property located within the geographic boundaries of Area 3, and
  - ii. The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by or for all taxing authorities, upon the total of the assessed value of the taxable real property in Area 3, or such other larger amount permitted by law, as shown upon the assessment reflecting valuation of real property for purposes of ad-valorem taxation as of January 1, 1989.

*Tax Increment Revenues deposited into the Redevelopment Trust Fund from Areas 1, 2 and 3, respectively, are available to pay the costs redevelopment projects within the entire Redevelopment Area and are not restricted for use in the specific areas in which they are collected.*

[Remainder of page intentionally left blank]



Current and future tax increment revenue accruing within the Redevelopment Area is predicated upon increases in assessed real property valuations in excess of taxable assessed values recognized for a specific base year. The incremental increase in ad valorem taxes is used to measure the amount of the contribution which must be appropriated and contributed by each taxing authority which is required to make payments. The taxing authorities cannot be compelled to levy ad valorem taxes to generate tax increment or to make such payments. The statutory obligation of a taxing authority to make the required payments to a community redevelopment trust fund continues for so long as a community redevelopment agency has indebtedness pledging tax increment revenues to the payment thereof outstanding, but any bonds, notes or other form of indebtedness pledging incremental revenues to the payment thereof shall mature no later than the end of the 30<sup>th</sup> fiscal year after the fiscal year in which a redevelopment plan is last amended. The last amendment of the Redevelopment Plan by the Agency occurred on October 19, 2021. Additionally, the obligation of the governing body which established the community redevelopment agency to fund a community redevelopment trust fund annually continues until all loans, advances and indebtedness, if any, and interest thereof, of such community redevelopment agency incurred as a result of redevelopment in a community redevelopment area have

been paid. It is expected all redevelopment activities contemplated in the Redevelopment Plan will be completed by September 30, 2051 which is the time certain for completion of redevelopment activities within Area 2. The maturity date of the Series 2023 Bonds and completion of all redevelopment activities extends beyond the time certain for completion of redevelopment activities for Areas 1 and 3. See “—Tax Increment Revenues” below for a breakout of Tax Increment Revenues received by area.

**Millage Rates**

The table below summarizes the established operating millage rates levied by each taxing authority which is required to make payments to the Redevelopment Trust Fund.

**Millage Rates**

<u>Fiscal Year Ending</u> <u>September 30</u>	<u>City of Lake Wales</u>	<u>Polk County</u>	<u>Total Operating</u> <u>Millage</u>
2014	8.5866	6.8665	15.4531
2015	8.3638	6.8665	15.2303
2016	7.3638	6.7815	14.1453
2017	7.3273	6.7815	14.1088
2018	7.0438	6.7815	13.8253
2019	7.0438	7.1565	14.2003
2020	6.9339	7.1565	14.0904
2021	6.7974	6.8990	13.6964
2022	6.7697	6.8990	13.6687
2023	6.3626	6.6920	13.0546

Source: City of Lake Wales, Florida, Annual Comprehensive Financial Report, Fiscal Year Ending September 30, 2021 and City of Lake Wales, Florida Finance Department.

Future economic and fiscal developments, among other factors, will effect millage rates. The Agency cannot make any representation with respect to future millage rates of the City or the County.

**Calculation of Tax Increment Revenues**

To understand the method of measuring and calculating the contribution required to be made by the taxing authorities, the general method of fixing millage must be considered.

State law currently mandates the following procedures in fixing millage rates\*:

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\*The final millage rate is that millage rate used to calculate the tax increment payments required to be made to the specific community redevelopment trust fund on or before January 1 of the next year. Final millage rates generally should have been adopted by October 1 of each year to allow sufficient time for taxing authorities to calculate the required payment to the specific community redevelopment trust fund and submit same on or before January 1. Pursuant to Florida law, final budgets must be adopted by taxing authorities prior to the beginning of a taxing authority's fiscal year, which is October 1. Typically, property tax statements are mailed on or about November 1, with collection through November 30 providing a maximum discount of 4% and descending to 0% as of March 1 of the following year. Taxes are delinquent as of April 1. Tax increment payments are to be made to the specific

(a) January 1 of each year is the statutory measurement date used by the County Property Appraiser for establishing just value of real property within the County. Real property having improvements or portions not substantially completed on January 1 is deemed to have no value placed thereon and substantially completed property as of January 1 shall be assessed by the County Property Appraiser based on its just value.

(b) On or before July 1 of each year, the County Property Appraiser is required to complete his assessment of the value of all property located within the County (unless extended for good cause by the Florida Department of Revenue). Upon completion of this assessment, the County Property Appraiser is required to certify to each taxing authority the taxable value within the jurisdiction of the taxing authority. This certification includes the just value of new construction, additions to structures, deletions, and property added due to geographic boundary changes substantially complete as of January 1 of such year.

(c) Each taxing authority is required to compute the millage known as the "rolled back rate." That rate is the rate which, exclusive of (i) any increase in the assessed value of taxable real property by which a tax increment is measured for such taxing authority pursuant to Section 163.387, Florida Statutes, (ii) new construction, (iii) additions to structures, (iv) deletions, and (v) property added due to geographic boundary changes, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year.

(d) Upon preparation of a tentative budget, but prior to adoption thereof, each taxing authority, in addition to computing the "rolled back rate," is required to compute the proposed millage rate which would be necessary to fund the tentative budget, other than the portion of the budget to be funded from other than ad valorem taxes. In computing proposed millage rates, each taxing authority shall utilize not less than 95% of the taxable value certified by the County Property Appraiser. In establishing the tentative budget and proposed millage rate, the taxing authority is not bound by the "rolled back rate" and, in accordance with State law, may exceed the "rolled back rate" or may even adopt a tentative budget and proposed millage rate which would be less than the "rolled back rate."

(e) Within thirty (30) days of the County Property Appraiser's certification, each taxing authority is required to advise the County Property Appraiser of its proposed millage rate and the date and time at which a public hearing will be held to consider the proposed millage rate and the tentative budget. The County Property Appraiser utilizes this information in preparing the notice of proposed property taxes required to be mailed to property owners. Additionally, if this information is not provided in a timely fashion as required by statute, the taxing authority is prohibited from levying a millage rate greater than the "rolled back rate" for the upcoming fiscal year.

(f) Each taxing authority is statutorily required to hold a minimum of two (2) public hearings on the proposed millage rate and tentative budget prior to adopting a final millage rate and a final budget. At the first public hearing, the taxing authority may amend the tentative budget and proposed millage rate as it sees fit and adopt a tentative budget and proposed millage rate. At the second public hearing, the taxing authority may adopt the final budget and final millage rate. The final budget and final millage rate adopted at the second hearing cannot exceed the tentative budget and tentative

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community redevelopment trust fund on January 1 of each year based on the statutory calculation without regard to the actual collections or adjustments made by the taxing authority.

millage rate adopted at the first public hearing, unless a separate hearing is held after due notice. Except as otherwise provided by statute, no millage rate (exclusive of ad valorem debt service millage) for the County and the City shall annually exceed 10 mills each without voter approval.

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## Tax Increment Revenues

The assessed valuation of taxable real property in Area 1 as of January 1, 1985 (the "Area 1 Base Tax Year") used for determining the incremental assessed valuation in future years is \$8,891,265. The assessed valuation of taxable real property in Area 2 as of January 1, 1998 (the "Area 2 Base Tax Year") used for determining the incremental assessed valuation in future years is \$109,080,851. The assessed valuation of taxable real property in Area 3 as of January 1, 1989 (the "Area 3 Base Tax Year" and together with the Area 1 Base Tax Year and the Area 2 Tax Base Year, the "Base Tax Years") used for determining the incremental assessed valuation in future years is \$8,894,367. The amount of Tax Increment Revenues to be received in any future year is dependent on the assessed valuation of taxable real property in the Redevelopment Area as of each January 1, the incremental increase in such valuation above the respective Base Tax Years value and total millage rate levied by the relevant taxing authorities.

### Tax Increment Revenues

Fiscal Year Ending September 30	Area 1 Valuation	Incremental Valuation Above the Area 1		Incremental Valuation Above the Area 2		Incremental Valuation Above the Area 3		Area 3 Tax Increment Revenues <sup>(1)</sup>	Total Tax Increment Revenues <sup>(1)</sup>	
		Base Tax Year Value	Area 1 Tax Increment Revenues <sup>(1)</sup>	Area 2 Valuation	Area 2 Base Tax Year Value	Area 3 Valuation	Area 3 Base Tax Year Value			
2018	\$18,656,753	\$9,765,488	\$128,260	\$211,403,492	\$102,322,641	\$1,341,937	\$12,711,508	\$3,817,141	\$50,134	\$1,520,331
2019	19,179,479	10,288,214	138,791	223,602,675	114,521,824	1,542,136	14,109,383	5,215,016	70,352	1,751,279
2020	20,420,604	11,529,339	154,330	242,244,621	133,163,770	1,778,875	15,191,728	6,297,361	84,248	2,017,453
2021	22,409,389	13,518,124	175,892	250,147,630	141,066,779	1,831,629	15,849,870	6,955,503	90,444	2,097,965
2022	23,302,028	14,410,763	187,128	268,600,047	159,519,196	2,066,796	16,973,375	8,079,008	104,974	2,358,898
2023	26,163,427	17,272,162	214,207	305,197,413	196,116,562	2,427,620	20,925,885	12,031,518	149,213	2,791,040

<sup>(1)</sup> The time certain for completion of redevelopment activities funded by tax increment for each area is as follows: (a) September 30, 2045 for all redevelopment activities financed by increment revenues in Area 1; (b) September 30, 2051 for all redevelopment activities financed by increment revenues in Area 2; and (c) September 30, 2049 for all redevelopment activities financed by increment revenues in Area 3.

Source: City of Lake Wales, Florida Finance Department.

**Pro-Forma Debt Service Coverage**

Fiscal Year Ended <u>September 30</u> 2022	Maximum Annual <u>Debt Service</u> <sup>(1)</sup> \$	Tax Increment <u>Revenues</u> <sup>(2)</sup> \$2,358,898	Pro-Forma Debt Service <u>Coverage</u>
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- (1) Includes debt service on the 2007 Note and estimated debt service on the Series 2023 Bonds based on an estimated issue size of \$\_\_\_\_\_, an estimated true interest cost rate of \_\_\_\_%, and an estimated final maturity date of \_\_\_\_\_ 1, 20\_\_.
- (2) The coverage calculation included in this table does not include Non-Ad Valorem Revenues of the City. As described herein, the City has covenanted with the Agency and the holders of the Series 2023 Bonds that it shall appropriate in its annual budget by amendment, if necessary, solely from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts which shall be sufficient to pay debt service on the Series 2023 Bonds to the extent Tax Increment Revenues are insufficient for such purpose. See "GENERAL INFORMATION REGARDING CERTAIN NON-AD VALOREM REVENUES" herein.

**Factors Affecting Tax Increment Revenues**

The Series 2023 Bonds are payable solely from the Pledged Revenues, comprised primarily of the tax increment revenues deposited into the Redevelopment Trust Fund. The lien of the Series 2023 Bonds on the Tax Increment Revenues does not attach until the revenues are deposited into the Redevelopment Trust Fund, and the holders of the Series 2023 Bonds have no right to require the imposition of any tax or the establishment of any rate of taxation in order to pay the principal, redemption premium, if any, and interest on the Series 2023 Bonds.

Neither the Agency nor any other public authority levying ad valorem taxes within the Redevelopment Area has covenanted or pledged to levy ad valorem taxes on taxable real property within the Redevelopment Area at a level sufficient to generate any Tax Increment Revenues and it would violate the State Constitution for any of them to do so.

Consequently, the amount of Tax Increment Revenues to be deposited in the Redevelopment Trust Fund and pledged to the Series 2023 Bonds is dependent upon, among other things, (i) the millage rates, if any, established by the City and the County and (ii) any decrease or increase in the assessed valuation of taxable real property in the Redevelopment Area, which increase will be affected by the annual appraisal at one hundred percent (100%) of the "just value" of taxable real property, including new construction completed within the Redevelopment Area among other factors. The pledge of Tax Increment Revenues does not constitute a pledge of the ad valorem taxing power of the City or the County, but constitutes an obligation on the part of each to pay Tax Increment Revenues to the Redevelopment Trust Fund, if any.

If any constitutional amendments to limit ad valorem taxes (or having the effect of limiting ad valorem taxes) are proposed, such amendments would have the potential, if approved by the voters, to restrict the legal capacity of taxing authorities to levy ad valorem taxes or the rate of such taxes. See "FLORIDA CONSTITUTION LIMITATIONS AND PROPERTY TAX REFORM" herein.

## Risk Factors

The following discussion provides information relating to certain risks that could affect the collection of Tax Increment Revenues. The order in which the following information is presented is not intended to reflect the relative importance of the risks discussed. The following information is not, and is not intended to be, exhaustive and should be read in conjunction with all of the other sections of this Official Statement, including its appendices. Prospective purchasers of the Series 2023 Bonds should carefully analyze the information contained in this Official Statement, including its appendices (and including the additional information contained in the form of the complete documents referenced or summarized herein), for a more complete description of the investment considerations relevant to purchasing the Series 2023 Bonds.

Risk factors include the following:

(1) Adverse Legislative, Judicial or Administrative Action. The State Legislature, the courts or an administrative agency with appropriate jurisdiction could enact new laws or regulations or interpret, amend, alter, change or modify the laws or regulations governing the levy, collection, distribution, definition or accumulation of ad valorem tax revenues generally, or Tax Increment Revenues specifically, in a fashion that would adversely affect the ability of the Agency to pay debt service on the Series 2023 Bonds. The Agency is currently not aware of any such legislation being considered at this time.

(2) Concentration of Revenues. The occurrence of any event that has a major negative impact on the taxable value of real property within the Redevelopment Area, including, without limitation, natural disasters (such as hurricanes and other major tropical storms), could significantly reduce the Tax Increment Revenues to be paid into the Redevelopment Trust Fund by the City and the County which could, in turn, have a material adverse impact on the ability of the Agency to pay debt service on the Series 2023 Bonds.

(3) Appeal of Assessments. State law allows taxpayers to dispute assessment valuations. Various State, local, national and international economic conditions may influence a taxpayer's willingness to make or forgo such an appeal. The statutory method for determining Tax Increment Revenues uses a factor of up to 95% of taxable assessed valuations, due in part to an expectation of some such appeals. Any volume of appeals which is successful in reducing the overall assessed value of taxable real property in the Redevelopment Area in excess of such a margin of error could result in reduced amounts of Tax Increment Revenues. If such appeals resulted in a significant reduction in the overall assessed value of the taxable real property in the Redevelopment Area, they could have a material adverse impact on the ability of the Agency to pay debt service on the Series 2023 Bonds.

(4) State, National and International Economic and Political Factors. Certain economic or political developments, including, without limitation, continued recession or further downturns in the State, national or international economy, national and international terrorism, U.S. military engagements abroad, increased national or international barriers to tourism or trade, and international currency fluctuations could all adversely affect property values within the Redevelopment Area or the continued development of the Redevelopment Area, its attraction to businesses and investors and, as a result, the Agency's receipt of sufficient Tax Increment Revenues to pay debt service on the Series 2023 Bonds.

(5) Reduction of Property Values. The amount of future collections of Tax Increment Revenues to pay debt service on the Series 2023 Bonds is dependent, in part, upon the assessed value of taxable real property in the Redevelopment Area. Numerous events could occur that might reduce the value of real property within the Redevelopment Area, including, without limitation, natural disasters (such as hurricanes and other major tropical storms to which the west coast of the State generally is subject), public acquisition of property within the Redevelopment Area by the State or political subdivisions exercising their respective rights of eminent domain, or social, economic or demographic factors (or adverse public perceptions thereof) beyond the control of the Agency, the City or the County. Any or all of such events could adversely affect the realization and receipt of Tax Increment Revenues.

(6) Reduction in County and/or City Millage Rates. The addition of significant numbers of new taxpayers or an increase of property values outside the Redevelopment Area could in the future result in an environment favorable to the reduction of the County and/or City millage rates. The County and/or the City could determine that its millage rates should be reduced for other reasons as well. Any reduction in millage rates by the County or the City could reduce the amount of Tax Increment Revenues payable by the County and/or the City which, in turn, could negatively impact the ability of the Agency to pay debt service on the Series 2023 Bonds.

In the event Tax Increment Revenues are insufficient to pay debt service on the Series 2023 Bonds, the City has covenanted to budget and appropriate Non-Ad Valorem Revenues to pay such debt service. See "GENERAL INFORMATION REGARDING CERTAIN NON-AD VALOREM REVENUES" below.

## **GENERAL INFORMATION REGARDING CERTAIN NON-AD VALOREM REVENUES**

### **General**

The City has covenanted to budget and appropriate Non-Ad Valorem Revenues to be transferred to the Agency pursuant to the terms and provisions of the City Resolution and the Interlocal Agreement forms of which are attached hereto as APPENDIX D, only in the event Tax Increment Revenues are insufficient to pay debt service of the Series 2023 Bonds.

The City generally receives two primary sources of revenue. These are ad valorem tax revenues and non-ad valorem revenues. Ad valorem tax revenues may not be pledged for the payment of debt obligations of the City that have a maturity greater than one year without approval of the electorate of the City. The ad valorem tax revenues of the City are not pledged to the payment of the Series 2023 Bonds.

The City is permitted by the Constitution of the State of Florida to levy ad valorem taxes at a rate of up to \$10 per \$1,000 of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). The general fund tax rate to finance general governmental services (other than the payment of principal and interest on general obligation long-term debt) for the year ending September 30, 2023 is \$6.3626 per \$1,000 of assessed valuation.

The Series 2023 Bonds are payable from the Agency's Tax Increment Revenues and, in the event Tax Increment Revenues are insufficient to pay debt service on the Series 2023 Bonds, Non-Ad Valorem Revenues budgeted and appropriated by the City for such purpose as described herein, and are not payable from ad valorem taxation. However, the ability of the City to covenant to budget and appropriate

Non-Ad Valorem Revenues is subject to a variety of factors, including the obligation of the City to provide governmental services and the provisions of State law which require the City to have a balanced budget. Although the Series 2023 Bonds are not payable from ad valorem taxation, approximately \_\_\_\_% of the City's Governmental Funds Revenues come from ad valorem taxes. To the extent that the future collection of ad valorem tax revenues is adversely affected, a larger portion of Non-Ad Valorem Revenues would be required to balance the budget and provide governmental services.

As described previously, for purposes of the Resolution, Non-Ad Valorem Revenues include those revenues derived from the operation of the City's governmental funds, which currently consist of its general fund, debt service fund, capital projects fund and other governmental funds (also referred to as special revenue funds). See "APPENDIX B-2 – City of Lake Wales, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2021" attached hereto.

Certain of such legally available Non-Ad Valorem Revenues have been, and may hereinafter be, specifically pledged to secure debt issued by the City. Any such debt is or will be payable from such specific Non-Ad Valorem Revenues prior to payment of debt service on the Series 2023 Bonds. See "- Outstanding Debt Secured by or Payable from Non-Ad Valorem Revenue Sources" below for a discussion of other obligations of the City that must be satisfied prior to the payment of debt service on the Series 2023 Bonds and other debt payable from a covenant to budget and appropriate. Amounts in particular categories of Non-Ad Valorem Revenues may increase or decrease in the future due to factors within or outside of the control of the City. Certain categories may cease to exist altogether and new sources may come about from time to time. Set forth below is a table showing, historical Non-Ad Valorem Revenues of the City, together with debt service that is payable from such Non-Ad Valorem Revenues.

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**City of Lake Wales, Florida**  
**Historical Non-Ad Valorem Revenues and Expenditures**  
**General Fund**

	<u>FY2017<sup>(1)</sup></u>	<u>FY2018<sup>(1)</sup></u>	<u>FY2019<sup>(1)</sup></u>	<u>FY2020<sup>(1)</sup></u>	<u>FY2021<sup>(1)</sup></u>	<u>FY2022<sup>(2)</sup></u>
<b>General Fund</b>						
Total revenues	\$11,786,477	\$12,821,045	\$13,260,062	\$13,333,773	\$13,609,684	\$15,523,321
Debt Issuance	582,908	572,239	1,501,259	1,218,365		391,836
Transfer In - Utility System	1,183,500	1,195,000	1,225,000	1,538,322	1,499,000	1,678,000
Other Finance Sources(Uses)	21,993	76,426	10,274	18,378		
Less: ad valorem tax	<u>(3,552,232)</u>	<u>(3,582,178)</u>	<u>(3,739,572)</u>	<u>(3,849,035)</u>	<u>(4,153,963)</u>	<u>(4,470,886)</u>
<b>Total Non-Ad valorem Revenues</b>	<b>\$10,022,646</b>	<b>\$11,082,532</b>	<b>\$12,257,023</b>	<b>\$12,259,803</b>	<b>\$10,954,721</b>	<b>\$13,122,271</b>
Expenditures	\$13,007,295	\$13,822,919	\$15,850,328	\$15,683,116	\$14,131,180	\$16,718,753
Transfer Out	88,270	108,350	163,222	121,672	121,956	227,168
Less: Ad Valorem Tax	<u>(3,552,232)</u>	<u>(3,582,178)</u>	<u>(3,739,572)</u>	<u>(3,849,035)</u>	<u>(4,153,963)</u>	<u>(4,470,886)</u>
<b>Total Expenditures Less Non-Ad Valorem Tax</b>	<b>\$9,543,333</b>	<b>\$10,349,091</b>	<b>\$12,273,978</b>	<b>\$11,955,753</b>	<b>\$10,099,173</b>	<b>\$12,475,035</b>
<b>Net Change in Fund Balance</b>	<b>\$479,313</b>	<b>\$733,441</b>	<b>(\$16,955)</b>	<b>\$304,050</b>	<b>\$855,548</b>	<b>\$647,236</b>
<b>As of September 30, the General Fund unassigned fund balance represented % of total general fund</b>	25%	20%	21%	23%	28%	N/A

(1) Audited financial statement from "Statement of Revenue, Expenditures, and Changes in Fund Balance, All Governmental Funds.

(2) Unaudited.

Source: City of Lake Wales, Florida Finance Department

While the table above is not intended to represent revenues of the City which would necessarily be available to pay debt service on the Series 2023 Bonds, it is an indication of the relative amounts of legally available Non-Ad Valorem Revenues of the City which may be available for the payment of principal of and interest on the Series 2023 Bonds taking into account general governmental expenditures. The ability of the City to appropriate Non-Ad Valorem Revenues in sufficient amounts to pay the principal of and the interest on the Series 2023 Bonds is subject to a variety of factors, including the City's responsibility to provide essential governmental services and the obligation of the City to have a balanced budget. No representation is being made by the City that any particular Non-Ad Valorem Revenue source will be available in future years, or if available, will be budgeted to pay debt service on the Series 2023 Bonds.

Continued consistent receipt of Non-Ad Valorem Revenues is dependent upon a variety of factors, including formulas specified under State law for the distribution of certain of such funds which take into consideration the ratio of residents in the City to total county residents. Aggressive de-annexation policies by the City or a reduction in the City's population or growth in the unincorporated areas of the County could have an adverse effect on certain of these Non-Ad Valorem Revenues. The amounts and availability of any of the Non-Ad Valorem Revenues to the City are also subject to change, including reduction or elimination by change of the State of Florida ("State") law or changes in the facts or circumstances according to which certain of the Non-Ad Valorem Revenues are allocated. In addition, the amount of certain of the Non-Ad Valorem Revenues (and ad valorem taxes) collected by the City is directly related to the general economy of the City. Accordingly, adverse economic conditions could have a material adverse effect on the amount of Non-Ad Valorem Revenues (and ad valorem taxes) collected by the City. The City previously has and may also in the future specifically pledge certain of the Non-Ad Valorem Revenues or covenant to budget and appropriate legally available Non-Ad Valorem Revenues of the City to other debt obligations. In the case of a specific pledge, such Non-Ad Valorem Revenues are required to be applied to such debt obligations prior to paying the principal of and interest on the Series 2023 Bonds. See "- Outstanding Debt Secured by or Payable from Non-Ad Valorem Revenue Sources" below.

The primary sources of Non-Ad Valorem Revenues collected by the City are generally described below.

### **Local Government Half-Cent Sales Tax**

Chapter 212, Florida Statutes, authorizes the levy and collection by the State of a sales tax upon, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, the Florida Legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes a portion of the sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized. As of October 1, 2001, the Local Government Half-Cent Sales Tax Clearing Trust Fund (the "Half-Cent Sales Tax Trust Fund") began receiving a portion of certain taxes imposed by the State on communications services pursuant to Chapter 202, Florida Statutes. Accordingly, moneys distributed from the Half-Cent Sales Tax Trust Fund now consist of funds derived

from both general sales tax proceeds and certain taxes imposed on the sales of communications services required to be deposited into the Half-Cent Sales Tax Trust Fund.

The Half-Cent Sales Tax is collected on behalf of the State by businesses at the time of sale at retail, use, consumption, or storage for use or consumption, of taxable property and remitted to the State on a monthly basis. Chapter 218, Part VI, Florida Statutes, (the "Sales Tax Act") provides for penalties and fines, including criminal prosecution, for non-compliance with the provisions thereof.

The general rate of sales tax in the State is currently 6%. Section 212.20, Florida Statutes, provides for the distribution of 8.9744%, reduced by 0.1%, of sales tax revenues to the Half-Cent Sales Tax Clearing Trust Fund (the "Half-Cent Sales Tax Trust Fund"), after providing for certain transfers to the State's General Fund and the Public Employees Relations Commission Trust Fund. Such amount deposited in the Half-Cent Sales Tax Trust Fund is earmarked for distribution to the governing body of such county and each eligible municipality within that county pursuant to the following distribution formula:

<p style="text-align: center;">County Share (percentage of total Half-Cent Sales Tax receipts)</p>	$\frac{\text{unincorporated area population}}{\text{total county population}}$	$\frac{2/3 \text{ incorporated area population}}{2/3 \text{ incorporated area population}}$
<p style="text-align: center;">Municipality Share (percentage of total Half-Cent Sales Tax receipts)</p>	$\frac{\text{municipality population}}{\text{total county population}}$	$\frac{2/3 \text{ incorporated area population}}{2/3 \text{ incorporated area population}}$

For purposes of the foregoing formula, "population" is based upon the latest official State estimate of population certified prior to the beginning of the local government fiscal year. Should the City annex any area or should any area of the City de-annex from the City, the share of the Half-Cent Sales Taxes received by the City would be respectively increased or decreased according to the foregoing formula.

The Half-Cent Sales Taxes are distributed from the Half-Cent Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with the Sales Tax Act. The Sales Tax Act permits the City to pledge its share of the Half-Cent Sales Tax for the payment of principal of and interest on any capital project.

To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to have satisfied these Eligibility Requirements (defined below). The City must have:

- (i) reported its finances for its most recently completed fiscal year to the Florida Department of Financial Services as required by Florida law;
- (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the

revenue equivalent to a millage rate of 3 mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such 3 mill ad valorem tax, to have received certain revenues from a county (in the case of a municipality), collected an occupational license tax, utility tax, or ad valorem tax, or any combination of those four sources;

- (iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;
- (v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;
- (vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and
- (vii) certified to FDOR (as defined below) that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of a county or municipality as required by law.

The requirements described in (i) through (vii) are referred to herein as the "Eligibility Requirements". If the City does not comply with the Eligibility Requirements, the City would lose its Half-Cent Sales Tax Trust Fund distributions for twelve (12) months following a "determination of noncompliance" by FDOR. The City has continuously maintained eligibility to receive the Half-Cent Sales Tax.

Although the Sales Tax Act does not impose any limitation on the number of years during which the City can receive distribution of the Half-Cent Sales Tax Revenues from the Half-Cent Sales Tax Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Half-Cent Sales Tax Program, and it is not unusual for the distribution formulas in Sections 212.20(6)(d) or 218.62, Florida Statutes, to be revised from time to time.

The amount of Half-Cent Sales Tax Revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the State, (ii) legislative changes relating to the overall sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Half-Cent Sales Tax Trust Fund, (iii) changes in the relative population of the City to the County, which affect the percentage of Local Government Half-Cent Sales Tax received by the City, and (iv) other factors which may be beyond the control of the City, including but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax collected by the State and then distributed to the City.

### **State Revenue Sharing**

A portion of certain taxes levied and collected by the State is shared with local governments under provisions of Chapter 218.215, Florida Statutes. The amount deposited by the FDOR into the State

Revenue Sharing Trust Fund for Municipalities is 1.3653% of available sales and use tax collections after certain required distributions and the net collections from the one-cent municipal fuel tax.

To be eligible for State Revenue Sharing funds beyond the minimum entitlement (defined as the amount necessary to meet obligations to which the City has pledged amounts received from the State Revenue Sharing Trust Fund for Municipalities), a local government must have met the Eligibility Requirements.

If the City fails to comply with such requirements, the FDOR may utilize the best information available to it, if such information is available, or take any necessary action including disqualification, either partial or entire, and the City shall further waive any right to challenge the determination of the FDOR as to its distribution, if any. Eligibility is retained if the local government has met eligibility requirements for the previous three years, even if the local government reduces its millage or utilities taxes because of the receipt of State Revenue Sharing funds.

The amount of the State Revenue Sharing Trust Fund for Municipalities distributed to any one municipality is the average of three factors: an adjusted population factor; a sales tax collection factor, which is the proportion of the local City's ordinary sales tax distribution the municipality would receive if the distribution were strictly population-based; and a relative revenue-raising ability factor, which measures the municipality's ability to raise revenue relative to other qualifying municipalities in the State.

The distribution to an eligible municipality is determined by the following procedure. First, a municipal government's entitlement is computed on the basis of the apportionment factor applied to all State Revenue Sharing Trust Fund receipts available for distribution. Second, the revenue to be shared via the formula in any fiscal year is adjusted so that no municipality receives fewer funds than its guaranteed entitlement, which is equal to the aggregate amount received from the state in fiscal year 1971-72 under then-existing statutory provisions. Third, the revenue to be shared via the formula in any fiscal year is adjusted so that all municipalities receive at least their minimum entitlement, which means the amount of revenue necessary for a municipality to meet its obligations as the result of pledges, assignments, or trusts entered into that obligated State Revenue Sharing Trust Fund monies. Finally, after making these adjustments, any remaining State Revenue Sharing Trust Fund monies are distributed on the basis of the additional money of each qualified municipality in proportion to the total additional money for all qualified municipalities.

The following are sources of revenues that are deposited into the State Revenue Sharing Trust Fund for Municipalities.

*Sales Tax Revenues.* Prior to July 1, 2000, a state tax was levied on cigarette packages at varying rates, depending upon the length and number of cigarettes in a package and, pursuant to Section 210.20(2)(a), Florida Statutes, certain amounts derived from such cigarette taxes were deposited to the Revenue Sharing Trust Fund for Municipalities after deducting therefrom certain charges for administration and collection. Effective July 1, 2000, the cigarette tax revenues were eliminated from distribution to the Revenue Sharing Trust Fund for Municipalities and replaced with sales and use tax proceeds. Currently, 1.3653% of the available proceeds of the sales and use tax imposed pursuant to Chapter 212, Florida Statutes, is transferred monthly to the Revenue Sharing Trust Fund for Municipalities after certain other transfers have been made and certain charges for administration and collection have been deducted therefrom.

*Municipal Fuel Tax.* The proceeds of the municipal fuel tax imposed pursuant to Section 206.41(1)(c), Florida Statutes, after deducting certain service charges and administrative costs is transferred into the Revenue Sharing Trust Fund for Municipalities. Funds derived from the municipal fuel tax on motor fuel may only be used to pay debt service allocable to transportation facilities. None of the debt service on the Series 2023 Bonds is allocable to transportation facilities.

The sales and use tax provides the majority of the receipts for the guaranteed entitlement from the Revenue Sharing Trust Fund for Municipalities. For the State's 2021 fiscal year, approximately 79.6% of the deposits of the Revenue Sharing Trust Fund for Municipalities were from sales and use tax and approximately 20.4% were from the municipal fuel tax.

### **Communications Services Tax**

The Communications Services Tax Simplification Act, enacted by Chapter 2000-260, Laws of Florida, as amended by Chapter 2001-140, Laws of Florida, and now codified in part as Chapter 202, Florida Statutes (the "CSTA") established, effective October 1, 2001, a local communications services tax on the sale of communications services as defined in Section 202.11, Florida Statutes, and as of the same date repealed Section 166.231(9), Florida Statutes, which previously granted municipalities the authority to levy a utility services tax on the purchase of telecommunications services. See "GENERAL INFORMATION REGARDING NON-AD VALOREM REVENUES -- Public Service Tax" below.

The proceeds of the local communications services tax, less Florida Department of Revenue's ("FDOR") cost of administration which may not exceed 1% of the total tax generated, are deposited in the Local Communications Services Tax Clearing Trust Fund (the "CST Trust Fund") and distributed monthly to the appropriate jurisdiction. The local communications services tax revenues received by the City are deposited into the City's Utilities Services Tax Special Revenue Fund and may be used for any public purpose. The revenues that are received by the City from such communications services tax which derive from the CST Trust Fund created with the FDOR pursuant to Section 202.193, Florida Statutes, may be pledged for the repayment of current or future bonded indebtedness.

One effect of the CSTA was to replace the former utilities tax on telecommunications, including pre-paid calling arrangements, as well as any revenues from franchise fees on cable and telecommunications service providers and permit fees relating to placing or maintaining facilities in rights-of-way collected from providers of certain telecommunications services, with the local communications services tax. This change in law was intended to be revenue neutral to the counties and municipalities. The communications services tax applies to a broader base of communications services than the former utilities tax on telecommunications.

The local communications services tax applies to the purchase of "communications services" which originated or terminated within the City, with certain exemptions described below. "Communication services" under the CSTA are defined as the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term does not include:

- (a) Information services.

- (b) Installation or maintenance of wiring or equipment on a customer's premises.
- (c) The sale or rental of tangible personal property.
- (d) The sale of advertising, including, but not limited to, directory advertising.
- (e) Bad check charges.
- (f) Late payment charges.
- (g) Billing and collection services.
- (h) Internet access service, electronic mail service, electronic bulletin board service, or similar on-line services.

While, such services have historically been taxed if the charges for such services are not stated separately from the charges for communications services, on a customer's bill, providers now have the ability to exclude such services from the tax if they can be reasonably identified from the selling dealer's books and records kept in the regular course of business. The dealer may support the allocation of charges with books and records kept in the regular course of business covering the dealer's entire service area, including territories outside of Florida.

The sale of communications services to (i) the federal government, or any instrumentality or agency thereof, or any entity that is exempt from state taxes under federal law, (ii) the State or any county, municipality or political subdivision of the State when payment is made directly to the dealer by the governmental entity, and (iii) any home for the aged or educational institution (which includes state tax-supported and nonprofit private schools, colleges and universities and nonprofit libraries, art galleries and museums, among others) or religious institutions (which include, but are not limited to, organizations having an established physical place for worship at which nonprofit religious services and activities are regularly conducted) that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), are exempt from the local communications services tax.

The CSTA provides that, to the extent that a provider of communications services is required to pay to a local taxing jurisdiction a tax, charge, or other fee under any franchise agreement or ordinance with respect to the services or revenues that are also subject to the local communications services tax, such provider is entitled to a credit against the amount of such local communications services tax payable to the State in the amount of such tax, charge, or fee with respect to such service or revenues. The amount of such credit is deducted from the amount that such local taxing jurisdiction is entitled to receive under Section 202.18(3), Florida Statutes. However, the City does not impose any such fees or charges on communications services providers.

Under the CSTA, local governments must work with the FDOR to properly identify service addresses to each municipality and county. If a jurisdiction fails to provide the FDOR with accurate service address information, the local government risks losing tax proceeds that it should properly receive. The City believes it has provided the FDOR with all information that the FDOR has requested as of the date hereof and that such information is accurate.

Providers of communications services collect the local communications services tax and may deduct 0.75% as a collection fee (or 0.25% in the case of providers who do not employ an enhanced zip code database or a data base that is either supplied or certified by the FDOR). The communications services providers remit the remaining proceeds to the FDOR for deposit into the CST Trust Fund. The FDOR then makes monthly contributions from the CST Trust Fund to the appropriate local governments after deducting up to 1% of the total revenues generated as an administrative fee.

The amount of local communications services tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the City, (ii) legislative changes, and/or (iii) technological advances which could affect consumer preferences. The amount of the local communications services tax revenues collected within the City may be adversely affected by de-annexation. Such de-annexation would decrease the number of addresses contained within the City. **[At this time there are no de-annexations anticipated within the City.]**

### **Fuel Tax**

The City receives revenues from the County relating to various fuel taxes imposed within the County. However, such fuel tax revenues may only be used by the City for certain transportation-related expenditures and may only be used to pay that portion of the debt service which is allocable to transportation-related projects. None of the debt service on the Series 2023 Bonds will be allocated to transportation-related expenditures. Accordingly, none of the fuel tax revenues may be used to pay debt service on the Series 2023 Bonds.

### **Franchise Fees**

Franchise fees consist of all monies and fees received by the City as a result of franchises that may be granted by the City to providers of certain utilities, telephone service or cable television service. Since the enactment of the CST Law, effective September 1, 2001, the City may not impose franchise fees with respect to telephone or cable television service. See " - Communications Services Tax" above.

### **Public Services Tax**

The "Public Service Tax" (also, commonly referred to as the "Utilities Services Tax" or "Public Services Tax") is imposed by the City pursuant to the Constitution of the State and Section 166.231, Florida Statutes and other applicable provisions of law. Florida law authorizes any municipality in the State to levy a public service tax on the purchase within such municipality of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. Services competitive with those enumerated in the previous sentence, as defined by ordinance, shall be taxed on a comparable base at the same rates. However, fuel oil shall be taxed at a rate not to exceed 4 cents per gallon.

Pursuant to Ordinance No. 96-20 enacted by the City Commission on November 20, 1996, as amended by Ordinance No. 2001-19 enacted by the City Commission on November 20, 2001 (the "Public Service Tax Ordinance") the City levies a tax of four cents (\$0.04) per gallon on every purchase of fuel oil and a tax of one-half of one cent (\$0.005) per gallon on every purchase of kerosene (coal oil) within the city which tax shall in every case be paid by the purchaser for the use of the City to the seller of such fuel oil or kerosene at the time of paying the charge by the seller therefor. In the event any retail dealer shall purchase such fuel oil or kerosene from any dealer not operating a bulk station within the City, such retail dealer shall collect the tax and report and pay the tax to the City. These taxes shall in each case be paid by the purchaser thereof for the use of the City to the seller of such electricity, metered or bottled gas (natural, liquefied petroleum gas, or manufactured), water service, and fuel oil at the time of paying the charge therefor, but not less than monthly.

Florida law provides that a municipality may exempt from the public service tax the first 500 kilowatts of electricity per month purchased for residential use, metered on bottled gas or fuel oil for

agricultural purposes, purchases of electricity, natural gas, liquefied petroleum gas or manufactured gas by industrial customers for use in industrial manufacturing or processing facilities in the City and electrical energy used in a facility located in a designated enterprise zone. The City has not adopted any such exemptions but it does exempt purchases by the United States Government, the State, Polk County and its agencies and departments, Polk County School Board and Lake Wales Housing Authority, and by public bodies exempted by law or court order from the levy of such tax, as well as purchases by any recognized church in the State. In addition, purchases of natural gas or fuel oil by a utility either for resale or for use as fuel in the generation of electricity are exempt, as is the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines. The foregoing exemptions are required by Florida Statutes.

The Public Service Tax is not applied against any fuel adjustment charge. The term "fuel adjustment charge" means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.

Prior to October 1, 2001, a municipality also had the option to levy a tax on the purchase of telecommunications services of either (a) not to exceed 10% of the monthly recurring customer service charges upon the purchases within such municipality of local telephone service or (b) not to exceed 7% of the monthly recurring customer service charges upon purchases within the municipality of telecommunications service which originates and terminates in the State based on the total amount charged for any telecommunications provided cannot be determined, the total amount billed for such telecommunications service to a telephone or telephone number, a telecommunications number of device, a service address or a customer's billing address located within the municipality, excluding variable usage charges on telecommunication service. The tax on telecommunication services was eliminated and replaced effective October 1, 2001. See the subheading "-- Communications Services Tax" above for a discussion of the taxation of telecommunication services under the Communications Services Tax Simplification Act after October 1, 2001.

The Public Service Tax must be collected by the seller from purchasers at the time of sale and remitted to the City on a monthly basis. Taxes on most utility services are separately itemized on the bill rendered to customers, but separate disclosure is not required. A failure by a consumer to pay that portion of the bill attributable to the Public Service Tax may result in a suspension of the service involved in the same fashion as the failure to pay that portion of the bill attributable to the particular utility service.

The amount of Public Service Tax collected by the City may fluctuate as the price of fuel, gas, electricity and the other services subject to the Public Service Tax fluctuates and a sustained increase in the price thereof may have an adverse effect on the amount of Public Service Tax collected.

### **Licenses, Permits and Fees**

The City receives revenues from the State that are derived from charges imposed and collected by the State with respect to a variety of licenses and permits granted within the City, including but not limited to, insurance agents and insurance solicitors, park trailers, boats and travel trailers, and alcoholic beverage manufacturers, distributors, vendors and sellers. Locally, the City receives revenues through the issuance of a variety of licenses and permits including zoning permits, development permits and occupational licenses.

**Other Non-Ad Valorem Revenues**

Other Non-Ad Valorem Revenues of the City include interest earnings, charges for services and other miscellaneous revenues.

**Outstanding Debt Secured By or Payable From Non-Ad Valorem Revenue Sources**

The following table represents annual debt service on debt obligations of the City's governmental activities secured by specific Non-Ad Valorem Revenue sources of the City and/or a covenant to budget and appropriate Non-Ad Valorem Revenues of the City:

**Outstanding Debt Secured by or Payable From Non-Ad Valorem Revenue Sources**

<u>Description of Debt</u>	<u>Source of Security</u>	<u>Maximum Annual Debt Service</u>	<u>Final Maturities</u>
Redevelopment Revenue Note, Series 2007	Tax Increment Revenues and Covenant to Budget and Appropriate Non-Ad Valorem Revenues	\$_____	10/1/2027
Ascending Lien Capital Improvement Revenue Note, Series 2013	Public Service Tax Revenues, Communications Services Tax Revenues [and Franchise Fees]	\$_____	10/1/2028
Capital Improvement Revenue Note, Series 2019	Covenant to Budget and Appropriate Non-Ad Valorem Revenues	\$_____	10/1/2034

This table does not include debt service on the City's outstanding State Revolving Fund Loans entered into pursuant to loan agreements with the State of Florida Department of Environmental Protection which include a secondary backup covenant to budget and appropriate legally available non-ad valorem revenues of the City, which have traditionally been fully paid with net revenues of the City's utility system.

In the event of a default under both the 2007 Note and the Series 2013 Note, the respective noteholder has the ability to enforce certain remedies, including, but not limited to, acceleration, in the event of a payment default. For more information, see Note G to the audited financial statements attached hereto as APPENDIX B-1 and APPENDIX B-2.

**FLORIDA CONSTITUTIONAL LIMITATIONS AND PROPERTY TAX REFORM**

Non-Ad Valorem Revenues do not include ad valorem tax revenues. Ad valorem revenues have historically been used, at least in part, by the City for payment of services and programs which are essential government services or which are legally mandated by applicable law. Therefore, a decrease in ad valorem tax revenues may in turn increase the amount of Non-Ad Valorem Revenues required for

payment of services and programs which are essential government services or which are legally mandated by applicable law and thereby reduce the amount of Non-Ad Valorem Revenues available to be budgeted and appropriated to satisfy the obligation of the City under the City Resolution and Interlocal Agreement. The City has provided the following discussion of property tax reform in the State of Florida, to illustrate the various initiatives put forth by the State Legislature and their respective impact, if any, on the City's financial and budgetary matters.

General. During recent years, various legislative proposals and constitutional amendments relating to ad valorem taxation and revenue limitation have been introduced in the State. Many of these proposals sought to provide for new or increased exemptions to ad valorem taxation, limit the amount of revenues that local governments could generate or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon the Agency, City or either of its finances.

Several Constitutional and Legislative amendments affecting ad valorem taxes have been approved by voters in the past including the following:

Limitation on Increase in Assessed Value of Property. The State Constitution limits the increases in assessed just value of homestead property to the lower of (1) three percent of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. The accumulated difference between the assessed value and the just value is known as the "Save Our Homes Benefit." Further, any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

Owners of homestead property may transfer up to \$500,000 of their Save Our Homes Benefit to a new homestead property purchased within three years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead.

For all levies other than school district levies, assessment increases for specified nonhomestead real property may not exceed ten percent (10%) of the assessment for the prior year. This assessment limitation is, by its terms, to be repealed effective January 1, 2019; however, the legislature by joint resolution approved an amendment abrogating such repeal, which was approved by the electors in the November 6, 2018 general election and went into effect January 1, 2019.

Homestead Exemption. In addition to the exemptions described above, the State Constitution also provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such

person is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption, up to \$25,000, applicable to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following homestead exemptions are authorized by State law.

Millage Rollback Legislation. In 2007, the State Legislature adopted a property tax plan which significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 Fiscal Year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by zero to nine percent (0% to 9%). In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future Fiscal Years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

Constitutional Exemptions. Certain exemptions from property taxes have been enacted. Constitutional exemptions include, but are not limited to, property owned by a municipality and used exclusively by it for municipal or public purposes, certain household goods and personal effects to the value fixed by general law, certain locally approved community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law and historic preservation ad valorem tax exemptions to owners of historic properties, \$25,000 of the assessed value of property subject to tangible personal property tax, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law, and certain real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

Deployed Military Personnel. The State Constitution provides that by general law and subject to certain conditions specified therein, each person who receives a homestead exemption who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of misfortune or while serving during wartime may be entitled to a \$5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. A military veteran who was honorably discharged

with a service-related total and permanent disability may be eligible for a total exemption from taxes on homestead property. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

Certain Totally and Permanently Disabled Persons. Real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Survivors of First Responders. Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

Save Our Homes Portability Affected by Storm Damage (SOH). Owners of homestead property that was significantly damaged or destroyed as a result of a named tropical storm or hurricane can elect to have the property deemed abandoned if the owner establishes a new homestead by January 1 of the second year immediately following the storm or hurricane. This will allow the owner of the homestead property to keep their SOH benefit if they move from the significantly damaged or destroyed property to establish a new homestead by the end of the year following the storm.

Property Tax Relief for Natural Disasters. In light of the recent natural disasters, the state legislature created a property tax relief credit for homestead parcels on which certain residential improvements were damaged or destroyed by a hurricane that occurred in 2016 or 2017, namely hurricanes Hermine, Matthew, and Irma. If the residential improvement is rendered uninhabitable for at least 30 days due to a hurricane that occurred during the 2016 or 2017 calendar year, taxes initially levied in 2019 may be abated. Due to this reduction in ad valorem tax revenue, the legislature is required to appropriate funds to offset the deficit in certain taxing jurisdictions.

Recent Amendments Relating to Ad Valorem Taxation. In the 2016 legislative session, several amendments were passed affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing that just value of real property shall be determined in the first tax year for income restricted persons age 65 or older who have maintained such property as their permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

During the 2018 State legislative session, the State Legislature passed House Joint Resolution 7001, proposing an amendment to the State Constitution providing that no state tax or fee may be imposed, authorized, raised by the State Legislature, or authorized by the State Legislature to be raised, except through legislation approved by two-thirds of the membership of each house of the State Legislature (the "Supermajority Amendment"). The Supermajority Amendment applies the same two-thirds approval requirement to decreasing or eliminating any state tax or fee exemption or credit. The Supermajority

Amendment also required that any proposed state tax or fee imposition, authorization or increase must be contained in a separate bill that contains no other subject. The text of the Supermajority Amendment provided that such amendment would not apply to any tax or fee imposed by, or authorized to be imposed by, a county, municipality, school board, or special district. In the November 2018 General Election, voters approved the Supermajority Amendment to the State Constitution. Although the Supermajority Amendment does not subject local taxes and fees to the stricter voting requirement, local governments could be adversely impacted during recessionary economic environments if State lawmakers are unable to raise taxes.

During the 2020 State legislative session, a constitutional amendment was proposed by the State Legislature which would extend the discount on ad valorem taxes provided to certain honorably discharged veterans to their spouses (the "Surviving Spouse Exemption"). Specifically, the Surviving Spouse Exemption allows the same ad valorem tax discount on homestead property for combat-disabled veterans age 65 or older to transfer to the surviving spouse of a veteran receiving the discount if the surviving spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. The amendment was approved by voters on November 3, 2019 and such amendment took effect on January 1, 2021.

During the 2020 State legislative session, a constitutional amendment was proposed by the State Legislature which would extend the period for a homestead property owner to transfer the Homestead Assessment Differential to a new homestead from two years to three years (the "Portability Amendment"). Specifically, the Portability Amendment allows a homeowner who establishes a new homestead as of January 1 to have the new homestead assessed at less than just value if the homeowner received a prior homestead exemption as of January 1 of any of the immediately preceding three years. The Portability Amendment was approved by voters on November 3, 2019 and such amendment took effect on January 1, 2021.

During the 2021 State legislative session, State Senate Bill 7061 was passed by the Senate and the House and signed into law by the Governor. This law exempts fully from ad valorem taxation certain affordable housing properties that previously received a 50% discount from ad valorem taxes, along with certain other insignificant or indeterminate modifications to State law regarding ad valorem taxes.

During the 2022 State legislative session, State House Bill 7071 was passed by the Senate and the House and signed into law by the Governor. This law contains provisions for tax relief and changes to tax policy including, but not limited to, the following: providing property tax relief for residential property rendered uninhabitable for 30 days or more due to a catastrophic event; providing property tax relief for property owners affected by the sudden and unforeseen collapse of a residential building; increasing the widows, widowers, blind, or totally and permanently disabled property tax exemption from \$500 to \$5,000; providing an alternative assessment methodology for land used in the production of aquaculture products; clarifying the extent of the homestead exemption on classified lands; updating the qualifying operations for the deployed service member property tax exemption; and providing alternative dates from which to calculate the 15-year required term of an affordable housing agreement for establishing qualification for a property tax exemption. This law took effect on July 1, 2022. Further, State House Bill 777 was passed by the Senate and the House, which would require a local government seeking voter approval to levy certain optional local taxes to be held at a general election. The bill applies to the following local option taxes: tourist development taxes; tourist impact taxes; ad valorem taxes levied by a children's services independent special district; county, municipal and school district voted millage increase and local option fuel taxes and took effect on October 1, 2022.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the State legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or have otherwise restricted the ability of local governments in the State to levy ad valorem taxes at then current levels.

## INVESTMENT CONSIDERATIONS

The future financial condition of the City and the Agency could be affected adversely by, among other things, public health emergencies, legislation, environmental and other regulatory actions, changes in demand for services, economic conditions, demographic changes, hurricanes, droughts and litigation. In particular, some of the possible changes in the future may include, but not be limited to, the following:

1. The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 has generally had a negative financial impact on local, state and national economies around the country, including initially significantly increased unemployment in certain sectors including especially travel, hospitality and restaurants. COVID-19 is a respiratory virus which was first reported in China and thereafter spread around the world, including the United States. This led to quarantine, remote work and other "social distancing" measures throughout the United States which resulted in a period of less travel resulting in declines in certain revenue sources. While many of the effects of COVID-19 were temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies, including supply chain issues and rising inflation. There can be no guarantee that COVID-19 or another outbreak of a highly contagious disease will not have negative impacts on the City or the Agency or the collection Tax Increment Revenues or certain sources of non-ad valorem revenues in the future.

2. The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities such as the City and the Agency. Such effects can be exacerbated by change in climate. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to the City and the Agency. The economic impacts resulting from such extreme weather events could include a loss of property values, a decline in revenue base, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the City or the Agency. In order to address the ongoing challenges related to climate change, extreme weather events, and sea level rise, the City has \_\_\_\_\_ **[INSERT CITY SPECIFIC INFORMATION HERE].**

On September 28, 2022, the State was impacted by Hurricane Ian. At approximately 3:05 p.m., the center of Hurricane Ian made landfall along the southwestern gulf coast of the State at Cayo Costa as a Category 4 storm with sustained winds of 150 miles per hour, according to the National Weather Service. Cayo Costa is located approximately 94 miles south west of the City. **[INSERT CITY SPECIFIC INFORMATION HERE.]**

3. The City and the Agency, like many other governmental entities, rely on a technology environment to conduct operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. Computer networks and systems used for data transmission and collection are vital to the

efficient operations of the City and the Agency. City and Agency systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to departmental operations and the provision of citizen services. Increasingly, entities in every sector are being targeted by cyberattacks seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers/hackers can exploit in attempts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there.

**[The City requires quarterly cybersecurity training to be completed by all personnel on the City's network. Additionally, IT does regular phishing tests to engage employees in regularly assessing email for security risks. The City has also undertaken a cybersecurity risk assessment. There are constant threats of which the City is well apprised and uses layers of security to mitigate. The City handles cyber security operations internally including a dedicated security analyst on staff.][Will update with any other City specific information in subsequent drafts.]**

Additionally, during the 2022 Florida Legislative session, CS/HB 7055 was passed which requires State agencies and local governments, such as the City and the Agency, to report all ransomware incidents and high severity level cybersecurity incidents to the Cybersecurity Operations Center ("CSOC") and the Cybercrime Office within the Florida Department of Law Enforcement as soon as possible but no later than 48 hours after discovery of the cybersecurity incident and no later than 12 hours after discovery of a ransomware incident. Local governments must also report such incidents to their respective sheriff's office. CS/HB 7055 requires state agencies to report low level cybersecurity incidents and provides that local governments may report such incidents. It also requires state agencies and local governments to submit after-action reports to FLDS following a cybersecurity or ransomware incident. CS/HB 7055 requires the CSOC to notify the State Legislature of high severity level cybersecurity incidents. State agency and local government employees are required to undergo certain cybersecurity training within 30 days of employment and annually thereafter. Further, local governments are required to adopt cybersecurity standards that safeguard the local government's data, information technology ("IT"), and IT resources and it is illegal for any local government in the State to pay ransoms when attacked. The effective date of CS/HB 7055 was July 1, 2022.

4. Currently, the United States is experiencing high levels of inflation which is having an impact on the cost of goods, including construction materials and products needed by the City and the Agency. Additionally, the City and the Agency has encountered adverse effects resulting from labor shortages and current supply chain issues, specifically related to the delivery of goods and construction materials. Deliveries have been delayed, which has the potential to impact the completion of projects. As a result, the City and the Agency may experience delays and increased costs that might be incurred as a result of supply chain issues. Therefore, for new projects that have not yet started, the City and the Agency is taking these factors into account in budgeting and scheduling. It is possible that the United States, including the State, may continue to experience supply chain issues and inflation which will impact State and local government finances.

For more information on risk factors relating to Tax Increment Revenues, see “TAX INCREMENT REVENUES – Risk Factors” herein. This section does not purport to summarize all risks that may be associated with purchasing or owning the 2023 Bonds and prospective purchasers are advised to read this Official Statement in its entirety for a more complete description of investment considerations relating to the Series 2023 Bonds.

## **PENSION AND OTHER POST EMPLOYMENT BENEFITS PLANS**

The City pension plans cover substantially all of the City's full-time employees. Because the employees allocated to the Agency are City employees and not Agency employees, the Agency does not report pension liabilities or pension related deferred inflows and outflows of resources nor the resulting effect of changes in these pension elements as pension expense. The following information relates to the City's pension and other-post employment benefit plans.

### **Employee Retirement Systems and Pension Plans**

The City maintains three defined benefit single-employer pension plans:

- Municipal General Employees' Pension Plan
- Municipal Police Officers' Pension Plan
- Municipal Firefighters' Pension Plan

General The City accounts for all three plans as pension trust funds; therefore, they are accounted for in substantially the same manner as proprietary funds with an economic resources measurement focus and the accrual basis of accounting. Plan member contributions, employer contributions, and contributions from other entities are recognized in the period in which the contributions are due. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' net position have been determined on the same basis as they are reported to the plans. For this purpose, benefits and refunds are recognized when due and payable in accordance with terms of the plans. Plan assets are valued at fair value for financial statement purposes, as reported within the annual trustee statements. The three pension plans were established by City ordinance and can be amended or terminated by City ordinance. The defined benefit plans do not issue stand-alone financial reports and are not included in any other retirement system's or entity's financial report. Financial statements for the individual pension plans are presented below since separate GAAP financial reports have not been issued for the individual plans.

### **General Information about the Pension Plans**

Plan Description. Members of the police officers' and firefighters' pension plans consist of full-time police officers and firefighters and members of the general employees' pension plan consists of all full-time employees classified as general employees.

The administration and responsibility for the proper operation of the retirement systems and trusts is vested each plan's Board of Trustees as set forth by City Ordinance. The General Pension Plan's Board consists of: the Mayor and/or Commissioner appointed by the City Commission, the Finance Director as a non-voting member of Board, two employee members to be elected by a majority of the actively employed members of the retirement system, and two members selected by the Board and

appointed by the City Commission. The Police and Firefighter Pension Boards each consist of two Commission appointees, two members of the fund elected by membership, and a fifth member elected by the first four members and appointed by the City Commission.

Benefits Provided. Benefits for police officers and firefighters are payable at normal retirement, the earlier of age 55 with 10 years of creditable service or age 50 with 25 years of creditable service, equal to 3% of average final compensation multiplied by the number of service years with a maximum annual benefit of \$75,000. The average final compensation is based on annual compensation of the 5 highest paid years of the last 10 years of creditable service. Both plans provide for early retirement with reduced benefits at age 50 and provide disability, death, and survivor benefit provisions. Members who have accrued the maximum annual benefit of \$75,000 no longer make contributions to the plan.

Benefits for general employees are payable at normal retirement, upon the attainment of age 60 with 10 years of creditable service. The normal retirement benefit is equal to 2.5% of average final compensation multiplied by the number of creditable service years with a maximum annual benefit of \$75,000. The average final compensation is based on annual compensation of the highest 5 consecutive years of service. The plan provides for early retirement with reduced benefits at age 55 and provides death and survivor benefit provisions. Members who have accrued the maximum annual benefit of \$75,000 no longer make contributions to the plan.

Police, fire and general employees who have satisfied the requirements for normal retirement are eligible to participate in the Deferred Retirement Option Program (DROP) for up to five years. During the DROP period, the member accrues a benefit amount equal to what would have been the members retirement benefit had the member retired as of the date of entry into the DROP program plus earnings. This accumulated amount is paid in a lump-sum when the member leaves active service at the end of the DROP period. Amounts held in DROP accounts as of September 30, 2021, are \$368,802 for the General Pension Plan, \$45,848 for the Police Officers’ Pension Plan and \$138,805 for the Firefighters’ Pension Plan.

Contributions Required and Contribution Made. City contributions are based upon an actuarially determined rate recommended by an independent actuary and adopted by the respective Board of Trustees. The City contributes an amount equal to the difference between the total aggregate member contributions and the actuarial required annual contributions to the plans. The Police Officers’ and the Firefighters’ Pension Funds receive contributions from the State of Florida from a tax on casualty and property insurance premiums, which the City may use to offset the City contribution (subject to limits).

The City’s annual contributions for the current year for each plan are as follows:

	<u>General Employees’</u>	<u>Firefighters’</u>	<u>Police Officers’</u>
	<u>Pension Fund</u>	<u>Pension Fund</u>	<u>Pension Fund</u>
Contribution rates/amounts:			
City and State contributions	\$333,216	\$548,961	\$536,986
Plan members	5.0%	5.0%	5.0%

The non-employee contributions above include City and State contributions paid to the Plans during the current fiscal year and from contributions recognized as a receivable by the individual Plans. The annual required contribution for the 2021 fiscal year was determined as part of the October 1, 2019 actuarial valuations. The assumptions did not include post retirement cost of living adjustment.

Changes in the Net Pension Liability: The following schedules represent the changes in the net pension liability as of the City's measurement date of September 30, 2020 for each of the pension plans in which the City participates. As a result, the individual Plan Fiduciary Net Position in the schedules below will not agree to the individual Plan Fiduciary Net Position as of September 30, 2021.

**General Employees' Pension Plan:**

	Total Pension Liability	<u>Increase (Decrease)</u> Plan Fiduciary Net Position	Net Pension Liability
<b>Reporting period ending 9/30/2020</b>	\$12,943,726	\$11,463,544	\$1,480,182
<b>Changes for the year:</b>			
Service cost	365,044	-	365,044
Interest	970,319	-	970,319
Differences between expected and actual experience	(94,295)		(94,295)
Changes of assumptions	(192,764)		(192,764)
Contributions - employer	-	334,913	(334,913)
Contributions - employee	-	525,100	(525,100)
Contributions - employee buyback	307,288	-	307,288
Net investment income	-	383,844	(383,844)
Benefit payments, including refunds of employee contributions	(742,369)	(767,905)	25,536
Administrative expenses	-	(52,875)	52,875
<b>Net changes</b>	<b>613,223</b>	<b>423,077</b>	<b>190,146</b>
<b>Reporting period ending 9/30/2021</b>	<b>\$13,556,949</b>	<b>\$11,886,621</b>	<b>\$1,670,328</b>

**Firefighters' Pension Plan:**

	Total Pension Liability	<u>Increase (Decrease)</u> Plan Fiduciary Net Position	Net Pension Liability
<b>Reporting period ending 9/30/2020</b>	\$12,815,433	\$9,162,337	\$3,653,096
<b>Changes for the year:</b>			
Service cost	277,388	-	277,388
Interest	989,877	-	989,877
Differences between expected and actual experience	116,155	-	116,155
Changes of assumptions	(245,964)	-	(245,964)
Contributions - employer	-	459,279	(459,279)
Contributions - State of Florida	-	132,028	(132,028)
Contributions - employee	-	87,217	(87,217)
Contributions - employee buyback	10,281	-	10,281
Net investment income	-	211,397	(211,397)
Benefit payments, including refunds of employee contributions	(640,420)	(640,420)	-
Administrative expenses	-	(50,196)	50,196
<b>Net changes</b>	<b>507,317</b>	<b>199,305</b>	<b>308,012</b>
<b>Reporting period ending 9/30/2021</b>	<b>\$13,322,750</b>	<b>\$9,361,642</b>	<b>\$3,961,108</b>

**Police Officers' Pension Plan:**

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
<b>Reporting period ending 9/30/2020</b>	\$17,652,714	\$15,884,811	\$1,767,903
<b>Changes for the year:</b>			
Service cost	443,274	-	1,349,908
Interest	1,349,908	-	989,877
Share plan allocation	22,306	-	22,306
Differences between expected and actual experience	(201,609)	-	(63,157)
Changes of assumptions	(245,964)	-	(201,609)
Contributions - employer	-	407,254	(407,254)
Contributions - State of Florida	-	140,771	(140,771)
Contributions - employee	-	122,066	(122,066)
Net investment income		320,510	(320,510)
Benefit payments, including refunds of employee contributions	(900,265)	(901,078)	813
Administrative expenses	-	(67,444)	67,444
<b>Net changes</b>	650,457	22,079	628,378
<b>Reporting period ending 9/30/2021</b>	\$18,303,171	\$15,906,890	\$2,396,281

The net pension liability of each Plan was measured as of September 30, 2020 for financial reporting purposes and the total pension liability used to calculate the net pension liability for this purpose was determined by actuarial valuations as of October 1, 2020, updated to September 30, 2021. Significant actuarial assumptions used to measure the total pension liability are as follows:

	General Employees' <u>Pension Fund</u>	Firefighters' <u>Pension Fund</u>	Police Officers' <u>Pension Fund</u>
Significant assumptions:			
Investment rate of return	7.50%	7.75%	7.55%
Projected salary increase*	Service based	Service based	Service based
*Includes inflation at	2.50%	2.50%	2.50%
Post retirement COLA	0.00%	0.00%	0.00%
Experience study used	July 25, 2018	September 24, 2018	September 24, 2018

Mortality rates used to determine the total pension liability as of the September 30, 2020 measurement date were based on The Society of Actuaries' Retirement Plans Experience Committee (RPEC) Pub-2010 Public Retirement Plans Mortality Tables Reports for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on MP-2018.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investments expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in each pension plan's target asset allocation as of September 30, 2021 are summarized below:

General Employees' Pension Plan:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50%	6.46%
International Equity	15%	6.40%
Fixed Income	35%	3.60%
	100%	

Firefighters' and Police Officers' Pension Plans:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45%	8.30%
International Equity	15%	4.10%
Bonds	30%	3.10%
Private Real Estate	10%	5.50%
	100%	

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the City recognized total pension expense of \$1,682,884 comprised of pension expense of \$419,532, \$639,315, and \$624,037 for the General Employees' Pension Fund, Firefighters' Pension Fund and Police Officers' Pension Fund, respectively. On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

General Employees' Pension Fund:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$-	\$79,016
City contributions made subsequent to the measurement date of September 30, 2020	333,216	-
Change in assumptions	-	128,510
Net difference between projected and actual earnings on pension plan investments	691,119	-
<b>Total</b>	<b>\$1,024,335</b>	<b>\$207,526</b>

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Police Officers' Pension Fund:</b>		
Differences between expected and actual experience	\$146,220	\$219,316
City contributions made subsequent to the measurement date of September 30, 2020	548,962	-
Change in assumptions	97,386	226,004
Net difference between projected and actual earnings on pension plan investments	<u>645,284</u>	<u>-</u>
<b>Total</b>	<b>\$1,437,852</b>	<b>\$445,320</b>
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Police Officers' Pension Fund:</b>		
Differences between expected and actual experience	\$-	\$482,660
City contributions made subsequent to the measurement date of September 30, 2020	536,986	-
Change in assumptions	145,354	161,288
Net difference between projected and actual earnings on pension plan investments	<u>1,147,662</u>	<u>-</u>
<b>Total</b>	<b>\$1,830,002</b>	<b>\$643,948</b>

Amounts reported as deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2020 will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended September 30,</b>	<b>General Employees' Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Police Officers' Pension Fund</b>	<b>Total</b>
2022	\$71,695	\$147,923	\$128,964	\$348,582
2023	127,210	170,025	147,215	444,450
2024	182,488	125,442	247,815	555,745
	102,200	63,580	125,074	290,854
2025	-	(44,856)	-	(44,856)
Thereafter	<u>-</u>	<u>(18,544)</u>	<u>-</u>	<u>(18,544)</u>
	<b>\$483,593</b>	<b>\$443,570</b>	<b>\$649,068</b>	<b>\$1,576,231</b>

*Discount Rate:* The discount rate used to measure the total pension liability for each plan was as follows:

- General Employees' Pension Plan – 7.50%
- Firefighters' Pension Plan – 7.75%
- Police Officers' Pension Plan – 7.55%

The projection of cash flow used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Statement of Fiduciary Net Position as of September 30, 2021**

	<b>Pension Trust Fund</b>			<b>Total</b>
	<b>General Employees' Pension</b>	<b>Firefighters' Pension</b>	<b>Police Officers' Pension</b>	
<b>Assets</b>				
Investments, at fair value:				
Money market funds	\$559,500	\$682,946	\$657,991	\$1,900,437
Government Bonds	61,670	60,465	126,529	248,664
Government Assets backed/CMO Securities	2,240,013	1,278,485	2,679,072	6,197,570
Taxable Municipal Bonds	274,331	189,666	302,772	766,769
Foreign Bonds	121,583	38,345	66,238	226,166
Corporate bonds and notes	1,217,627	715,159	1,010,955	2,943,741
Common and preferred stock	9,462,436	7,328,981	12,471,141	29,262,558
Real estate investment fund	-	885,953	1,550,417	2,436,370
<b>Total investments</b>	<b>13,937,160</b>	<b>11,180,000</b>	<b>18,865,115</b>	<b>43,982,275</b>
Receivable (net):				
Interest and dividends	22,501	20,764	35,762	79,027
Due from Others	8,248	-	-	8,248
<b>Total receivable</b>	<b>30,749</b>	<b>20,764</b>	<b>35,762</b>	<b>87,275</b>
<b>Total assets</b>	<b>13,967,909</b>	<b>11,200,764</b>	<b>18,900,877</b>	<b>44,069,550</b>
<b>Liabilities</b>				
Accounts payable	21,584	-	4,718	26,302
<b>Total liabilities</b>	<b>21,584</b>	<b>-</b>	<b>4,718</b>	<b>26,302</b>
<b>Net position</b>				
Held in trust for pension benefits and other purposes	\$13,946,325	\$11,200,764	\$18,896,159	\$44,043,248

**Schedule of Changes in Fiduciary Net Position for the year ended September 30, 2021**

	Pension Trust Fund			Total
	General Employees' Pension	Firefighters' Pension	Police Officers' Pension	
<b>Additions</b>				
Contributions:				
Employer	\$333,216	\$445,969	\$394,219	\$1,173,404
State of Florida	-	102,992	142,767	245,759
Employee	224,480	87,289	121,621	433,390
Total contributions	557,696	636,250	658,607	1,852,553
Interest and dividends	258,559	212,531	323,483	794,573
Net increase (decrease) in the fair value of investments	2,079,897	1,757,511	3,080,449	6,917,857
Total investments income	2,338,456	1,970,042	3,403,932	7,712,430
Less investment expense	(64,168)	(60,349)	(86,736)	(211,253)
Net investment income	2,274,288	1,909,693	3,317,196	7,501,177
Total additions	2,831,984	2,545,943	3,975,803	9,353,730
<b>Deductions</b>				
Benefit payments	579,599	538,094	863,686	1,981,379
Refunds of contributions	147,271	115,629	43,280	306,180
Administration	45,410	53,098	79,568	178,076
Total deductions	772,280	706,821	986,534	2,465,635
Change in net position	2,059,704	1,839,122	2,989,269	6,888,095
<b>Total net position - beginning</b>	11,886,621	9,361,642	15,906,890	37,155,153
<b>Total net position - ending</b>	<b>\$13,946,325</b>	<b>\$11,200,764</b>	<b>\$18,896,159</b>	<b>\$44,043,248</b>

**Net Pension Liability:**

The components of the net pension liabilities to be reported by the City in fiscal year 2022, measured as of the Plans' most recent fiscal year-end, September 30, 2021, were as follows:

	General Employees' Pension Fund	Firefighters' Pension Fund	Police Officers' Pension Fund	Total
Total pension liability	\$14,627,608	\$14,062,652	\$19,087,660	\$47,777,920
Plan fiduciary net position	13,946,325	11,200,764	18,896,159	44,043,248
City's net pension liability	\$681,283	\$2,861,888	\$191,501	\$3,734,672
Plan fiduciary net position as a percentage of the total pension liability	95.34%	79.65%	99.00%	92.18%

**Post-Employment Benefit Other than Pensions**

Plan Description. The Other Postemployment Benefits Plan ("OPEB Plan") is a single employer defined benefit postemployment health care plan administered by the City. The OPEB Plan allows

employees who retire and meet retirement eligibility requirements under one of the City’s retirement plans to purchase health insurance at the City’s group rate.

Benefits Provided. In accordance with Chapter 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Therefore, the City offers retirees the option of purchasing the City’s group health insurance coverage at the cost applicable to active employees. The City does not offer any explicit subsidies for retiree coverage. The OPEB Plan does not issue a stand-alone financial report and is not included in the annual report of a public employee retirement system or another entity.

Funding Policy. Currently, the City’s OPEB benefits are unfunded. The City has not advanced-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. The City paid an estimated \$29,683 for OPEB costs during fiscal year 2021. No assets are being accumulated in a trust to pay for plan benefits.

Other postemployment benefits membership is comprised of the following at 9/30/2019, the date in the latest complete actuarial valuation:

Inactive Plan members, or beneficiaries currently receiving benefits	5
Inactive Plan members entitled to but not yet receiving benefits	-
Active Plan members	<u>151</u>
Total	<u><u>156</u></u>

Total OPEB Liability. The City’s total OPEB liability as of September 30, 2021 was determined by an actuarial valuation as of September 30, 2019 (measurement date). The actuarial assumptions used in this valuation were as follows:

Inflation rate	2.50%
Discount Rate	2.14
Initial Trend Rate	7.50
Ultimate Trend Rate	4.00
Year to Ultimate Trend Rate	55

*Salary Rate Increases:* For general pension plan employees, the assumed salary increase is 10% for the first year and 4% each year thereafter. For police and fire pension plan employees, the assumed salary increase is 5.75% per year.

*Mortality Rates – Active Lives:* For female (non-special risk) lives, the headcount-weighted PubG-2010 female employee table was used. For female special risk lives, the headcount-weighted PubS-2010 female below-median income employee table, set forward one year, was used.

For male (non-special risk) lives, the headcount-weighted PubG-2010 male below-median income employee table, set back one year, was used. For male special risk lives, the headcount-weighted PubS-2010 male below- median income employee table, set forward one year, was used.

*Mortality Rates – Inactive Healthy Lives:* For female (non-special risk) lives, the headcount-weighted PubG-2010 female below-median income healthy retiree table was used. For female special risk lives, the headcount-weighted PubS-2010 female healthy retiree table, set forward one year, was used.

For male (non-special risk) lives, the headcount-weighted PubG-2010 male below-median income healthy retiree table, set back one year, was used. For male special risk lives, the headcount-weighted PubS-2010 male below- median income healthy retiree table, set forward one year, was used.

For special risk survivors, the headcount-weighted PubG-2010 below-median income healthy retiree table, set back one year for males, was used.

*Mortality Rates – Disabled Lives:* For female (non-special risk) lives, the headcount-weighted PubG-2010 female disabled retiree table, set forward 3 years, was used. For female special risk lives, an 80% headcount-weighted PubG-2010 female disabled retiree, 20% headcount-weighted PubS-2010 female disabled retiree blended table was used.

For male (non-special risk) lives, the headcount-weighted PubG-2010 male disabled retiree table, set forward 3 years, was used. For male special risk lives, an 80% headcount-weighted PubG-2010 male disabled retiree, 20% headcount-weighted PubS-2010 male disabled retiree blended table was used.

*Discount rate –* Given the City’s decision not to fund the OPEB Plan, all future benefit payments were discounted using a high-quality municipal bond rate of 2.14%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the S&P municipal Bond 20-year High Grade Index as published by S&P Dow Jones Indices. The S&P Municipal Bond Index consists of bonds in the S&P Municipal bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes in the Total OPEB Liability:

	Total OPEB <u>Liability</u>
<b>Reporting period ending September 30, 2020</b>	\$569,166
<b>Changes for the year:</b>	
Service cost	32,270
Interest	21,004
Changes of assumptions	91,979
Benefit payments	(29,683)
<b>Net changes</b>	115,570
<b>Reporting period ending September 30, 2021</b>	\$684,736

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Source: City of Lake Wales, Florida Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2021.

Changes in assumptions reflect a change in discount rate from 3.58% for the reporting period ending September 30, 2020 to 2.14% for the reporting period ending September 30, 2021. The changes in assumptions also reflect updated health care costs, premiums and trend rates, mortality rates, termination and disability rates as well as the rate of line-of-duty disabilities for firefighters.

Sensitivity of the Total OPEB Liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	<b>1% Decrease (1.14%)</b>	<b>Discount Rate (2.14%)</b>	<b>1% Increase (3.14%)</b>
Total other postemployment benefits liability	759,341	684,736	619,093

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	<b>1% Decrease (3.00% to 6.50%)</b>	<b>Discount Rate (4.00% to 7.50%)</b>	<b>1% Increase (5.00% to 8.50%)</b>
Total other postemployment benefits liability	599,092	684,736	785,755

OPEB expense and deferred outflows and inflows of resources related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of \$97,159. On September 30, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB were as follows:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$18,010	-
Change in assumptions	171,077	19,327
City contributions subsequent to the measurement date	34,484	-
<b>Total</b>	<b>\$223,571</b>	<b>\$19,327</b>

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2020 will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2022	\$35,635
2023	35,638
2024	39,720
2025	43,438
2026	15,329
	<u>\$169,760</u>

### LITIGATION

[There is no litigation pending or, to the knowledge of the Agency or the City, threatened, seeking to restrain or enjoin the issuance or delivery of the Series 2023 Bonds or questioning or affecting the validity of the Series 2023 Bonds, the Resolution, the City Resolution or the Interlocal Agreement, the acquisition and construction of the Project, or the proceedings and authority under which the Series 2023 Bonds are to be issued. Neither the creation, organization or existence, nor the title of the present members or other officers of the City or of the Agency to their respective offices is being contested.]

The Agency and the City experience claims, litigation, and various legal proceedings which individually are not expected to have a material adverse effect on the operations or financial condition of the Agency or the City, but may, in the aggregate, have a material impact thereon. The Agency and the City carry liability insurance, and are afforded the additional protection of sovereign immunity by the Florida Statutes, Section 768.28, as amended. The Agency and the City currently are not aware of any claims or litigation that it believes will have any material adverse consequences to the financial condition of the Agency or the City.]

### DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the Agency except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rulemaking, the FFSC has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the Agency, and certain additional financial information, unless the Agency believes in good faith that such information would not be considered material by a reasonable investor. The Agency is not and has not been in default on any bond issued since December 31, 1975 that would be considered material by a reasonable investor.

## VALIDATION

On January 24, 2022, the Circuit Court of the Twelfth Judicial Circuit in and for Polk County, Florida entered a final judgment validating one or more series of bonds in the aggregate amount of \$18,500,000, which includes the Series 2023 Bonds. No appeal from the judgment was filed, and the time for filing such an appeal has expired.

## TAX MATTERS

### General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2023 Bonds in order that interest on the Series 2023 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2023 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2023 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2023 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Resolution with respect to the Series 2023 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2023 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2023 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2023 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Series 2023 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under Section 55 of the Code.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2023 Bonds. Prospective purchasers of Series 2023 Bonds should be aware that the ownership of Series 2023 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2023 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2023 Bonds; (iii) the inclusion of interest on Series 2023 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2023 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2023 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and

certificates of public officials (including certifications as to the use of proceeds of the Series 2023 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2023 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2023 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2023 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2023 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2023 Bonds and proceeds from the sale of Series 2023 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2023 Bonds. This withholding generally applies if the owner of Series 2023 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2023 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2023 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2023 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2023 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2023 Bonds.

Prospective purchasers of the Series 2023 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2023 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2023 Bonds maturing on \_\_\_\_\_ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of the underwriter or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

## **Tax Treatment of Bond Premium**

The difference between the principal amount of the Series 2023 Bonds maturing on \_\_\_\_\_ (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of the underwriter or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

## **UNDERWRITING**

The Series 2023 Bonds are being purchased by Raymond James & Associates, Inc. at a purchase price of \$\_\_\_\_\_ (which is the par amount thereof, [plus/less] an original issue [premium/discount] of \$\_\_\_\_\_ and less Underwriter's discount of \$\_\_\_\_\_), at the initial offering yields set forth on the inside cover page of this Official Statement, subject to certain terms and conditions as set forth in a Purchase Contract between the Agency and the Underwriter, including the approval of certain legal matters by Bond Counsel and the existence of no material adverse change in the

condition of the Agency from that set forth in this Official Statement. The Series 2023 Bonds may be offered and sold to certain dealers at yields higher than the respective yields set forth on the cover of this Official Statement. After the initial public offering, the respective yields may be changed from time to time by the Underwriter.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Series 2023 Bonds are subject to the approval of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, whose approving opinion in the form attached hereto as APPENDIX E will be delivered with the Series 2023 Bonds. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that subsequent to the date of the opinion Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion. Certain other legal matters will be passed upon for the Agency and the City by their attorney, Albert C. Galloway, Jr., Lake Wales, Florida and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. Nabors, Giblin & Nickerson, P.A., Tampa, Florida is servicing as Special Counsel to the Underwriter with respect to the issuance of the Series 2023 Bonds.

The legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to the opinion givers as of the date thereof. Such opinion givers assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Series 2023 Bonds upon an event of default under the Resolution, and the Interlocal Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Resolution, the Series 2023 Bonds, and the Interlocal Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity.

## RATINGS

\_\_\_\_\_ ("\_\_\_\_\_") and \_\_\_\_\_ ("\_\_\_\_\_"). have assigned ratings of "\_\_\_\_\_" and "\_\_\_\_\_" respectively, to the Series 2023 Bonds. Such ratings reflect only the views of such organizations at the time such ratings were issued and an explanation of the significance of such ratings may be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, or any one of them, if in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating can be expected to have an adverse effect on the market price of the Series 2023 Bonds. An explanation of the significance of the ratings can be received from the rating agencies, at the following addresses: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007-2796 and Fitch Ratings, Inc., One State Street Plaza, New York, New York 10004.

## CONTINGENT FEES

The Agency has retained Bond Counsel with respect to the authorization, sale, execution and delivery of the Series 2023 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriter (including the fees of its counsel) are each contingent upon the issuance of the Series 2023 Bonds.

## CONTINUING DISCLOSURE

The Agency and the City have covenanted for the benefit of the Series 2023 Bondholders to provide certain financial information and operating data relating to the Agency, the City and the Series 2023 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The Agency and the City have agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the Securities and Exchange Commission (the "SEC") to act as a repository (each a "Repository") for purposes of complying with Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934 (the "Rule"). Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board (the "MSRB"). The Agency and the City have agreed to file notices of certain enumerated material events, when and if they occur, with the Repository.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX F - FORMS OF CONTINUING DISCLOSURE CERTIFICATES" attached hereto. The Continuing Disclosure Certificates shall be executed by the Agency and the City upon the issuance of the Series 2023 Bonds. These covenants have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2023 Bonds, no party other than the Agency and the City are obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule.

## FINANCIAL ADVISOR

The City has retained Ford & Associates Inc., Tampa, Florida, as Financial Advisor in connection with the Agency's financing plans and with respect to the authorization and issuance of the Series 2023 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the

information contained in this Official Statement. The Financial Advisor did not participate in the underwriting of the Series 2023 Bonds.

### **FINANCIAL STATEMENTS**

The financial statements of the Agency for the Fiscal Year ended September 30, 2021, appearing in APPENDIX B-1 attached hereto have been audited by Carr, Riggs & Ingram, independent certified public accountants, as set forth in their report dated March 23, 2022, which report also appears in APPENDIX B-1 attached hereto. The general purpose financial statements of the City for the Fiscal Year ended September 30, 2021, appearing in APPENDIX B-2 attached hereto have been audited by Carr, Riggs & Ingram, independent certified public accountants, as set forth in their report dated March 23, 2022, which report also appears in APPENDIX B-2 attached hereto. Carr, Riggs & Ingram has not participated in the preparation or review of this Official Statement. Neither the Agency nor the City requested the consent of Carr, Riggs & Ingram to include such general purpose financial statements in this Official Statement, nor did Carr, Riggs & Ingram perform any work in connection with the issuance of the Series 2023 Bonds. Such financial statements are provided as publicly available information.

### **ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT**

The references, excerpts, and summaries of all documents, statutes, and information concerning the Agency and certain reports and statistical data referred to herein do not purport to be complete, comprehensive or definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2023 Bonds, the security for the payment of the Series 2023 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2023 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

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**AUTHORIZATION OF OFFICIAL STATEMENT**

The undersigned do hereby certify that (i) the delivery of the Official Statement has been duly authorized by the Board, (ii) to the best of their knowledge and belief, the statements herein are true and correct; and (iii) nothing has come to their attention which would lead them to believe that the Official Statement (excluding the information regarding the DTC and its book-entry only system of registration as to all of which no opinion is expressed) contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in light of the circumstances under which they were made not misleading.

**LAKE WALES COMMUNITY  
REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Chairman

By: \_\_\_\_\_  
Executive Director

By: \_\_\_\_\_  
Finance Director

**APPENDIX A**

**GENERAL INFORMATION REGARDING THE CITY OF  
LAKE WALES, FLORIDA**

**APPENDIX B-1**

**LAKE WALES COMMUNITY REDEVELOPMENT AGENCY  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021**

**APPENDIX B-2**

**CITY OF LAKE WALES, FLORIDA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021**

**APPENDIX C**

**FORM OF 2022 RESOLUTION**

**APPENDIX D**

**FORM OF CITY RESOLUTION AND INTERLOCAL AGREEMENT**

**APPENDIX E**

**FORM OF BOND COUNSEL OPINION**

**APPENDIX F**

**FORMS OF CONTINUING DISCLOSURE CERTIFICATES**

**EXHIBIT D**

**FORM OF DISCLOSURE CERTIFICATE**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") dated \_\_\_\_\_, 2022 is executed and delivered by the Lake Wales Community Redevelopment Agency (the "Issuer") in connection with the issuance by the Issuer of its \$\_\_\_\_\_ Redevelopment Revenue Bonds, Series 2023 (the "Bonds"). The Bonds are being issued pursuant to Resolution 2021-24 adopted by the City of Lake Wales, Florida (the "City") on October 19, 2021, as amended and supplemented, as particularly supplemented by Resolution 2022-\_\_\_ adopted by the City on \_\_\_\_\_, 2022, Resolution 2021-03 adopted by the Issuer on October 12, 2021, as amended and supplemented, as particularly supplemented by Resolution 2022-\_\_\_ adopted by the Issuer on December 20, 2022 (collectively, the "Resolution").

**SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE.** This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

**SECTION 2. DEFINITIONS.** In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to

which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

### **SECTION 3. PROVISION OF ANNUAL REPORTS.**

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than each April 30<sup>th</sup> commencing April 30, 2023 with respect to the report for the 2022 fiscal year, provide to any Repository in electronic format as prescribed by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Issuer shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Certificate, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of any Repository;

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing any Repository, to which it was provided; and

(iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report.

**SECTION 4. CONTENT OF ANNUAL REPORTS.** The Issuer's Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated [\_\_\_\_], 2023 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) updates of the financial and operating data set forth in the Official Statement, including the following tables entitled:

- (i) Millage Rates;
- (ii) Tax Increment Revenues; and
- (iii) Pro-Forma Debt Service Coverage

The information provided under Section 4(b) may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the Repository's Internet website or filed with the Securities and Exchange Commission.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

**SECTION 5. REPORTING OF SIGNIFICANT EVENTS.**

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds. Such notice shall be given

in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 17 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties; and

17. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository, and the Insurer.

**SECTION 6. IDENTIFYING INFORMATION.** In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

**SECTION 7. TERMINATION OF REPORTING OBLIGATION.** The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

**SECTION 8. DISSEMINATION AGENT.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

**SECTION 9. AMENDMENT.** Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate provided that the following conditions are satisfied:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;

(b) The undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the holders, as determined either (i) by parties unaffiliated with the Issuer (such as the trustee or bond counsel), or (ii) by approving vote of bondholders pursuant to the terms of the governing instrument at the time of the amendment.

In the event of any amendment of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 10. ADDITIONAL INFORMATION.** Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 11. DEFAULT.** The continuing disclosure obligations of the Issuer set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

**SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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**SECTION 13. BENEFICIARIES.** This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of \_\_\_\_\_, 2023

**LAKE WALES COMMUNITY  
REDEVELOPMENT AGENCY**

[SEAL]

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Finance Director

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Lake Wales Community Redevelopment Agency

Name of Bond Issue: Redevelopment Revenue Bonds, Series 2023

Date of Issuance: \_\_\_\_\_, 2023

NOTICE IS HEREBY GIVEN that the Lake Wales Community Redevelopment Agency (the "Agency") has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4(b) of the Continuing Disclosure Certificate dated as of \_\_\_\_\_, 2022. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

**LAKE WALES COMMUNITY  
REDEVELOPMENT AGENCY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_