

RESOLUTION NO. 25-11-116

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA ACCEPTING THE PROPOSAL OF CENTENNIAL BANK, FOR A REVOLVING LINE OF CREDIT IN AN AMOUNT NOT TO EXCEED \$20,000,000 FOR THE PURPOSE OF PROVIDING FUNDS AS AUTHORIZED BY THE VILLAGE COUNCIL; AUTHORIZING SUCH LINE OF CREDIT; AUTHORIZING THE VILLAGE MANAGER UPON REQUEST OF THE VILLAGE COUNCIL TO DRAW ON SUCH LINE OF CREDIT; AWARDING THE LINE OF CREDIT ON A NEGOTIATED BASIS; AND APPROVING EXECUTION AND DELIVERY OF A REVOLVING LINE OF CREDIT AGREEMENT AND NOTE OR NOTES IN CONNECTION WITH ADVANCES MADE UNDER THE LINE OF CREDIT; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OTHER DOCUMENTS IN CONNECTION AS MAY BE NECESSARY IN CONNECTION WITH THE REVOLVING LINE OF CREDIT AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Islamorada, Village of Islands (the "Village") received a proposal from Centennial Bank, a wholly owned subsidiary of Home Bancshares, Inc. (the "Bank") to provide for a Revolving Line of Credit ("Line of Credit") pursuant to a term sheet dated as of August 7, 2025 (the "Term Sheet"), which is attached hereto as Exhibit "A" for the purpose of providing funds as requested by the Village Council for various authorized projects (the "Project"), without the need to draw on the Village's reserve funds; and

WHEREAS, Section 2-326(e) of the Village Code provides that the Village Manager or Finance Director are authorized to initiate wire transfers, stop payments, and take all other steps to properly fund the village's bank accounts, investment accounts, and operating accounts, as well as pay any required debt service on any village notes, bonds or equity lines; and

WHEREAS, the Village Manager is also authorized pursuant to Section 2-326(g) of the Village Code to sign contracts on behalf of the Village provided that for contracts above certain monetary limitations must be previously approved by the Village Council; and

WHEREAS, the Village desire to approve the Term Sheet provided from the Bank, and attached hereto as Exhibit "A"; and

WHEREAS, pursuant to Article VII, Section 10 of the Florida Constitution, Section 166.111, Florida Statutes, authorizes the Village to issue and enter into agreements to borrow money payable from revenues derived from sources other than ad valorem taxes; and

WHEREAS, the Term Sheet provides for the Line of Credit with the Bank for total advances in an amount not to exceed \$20,000,000 outstanding at any one time, with a maturity date of up to 7 years with interest only due monthly for two years and principal due beginning of the third year until maturity; and

WHEREAS, the Line of Credit is to be evidenced by a Revolving Credit Agreement with the Bank (the "Credit Agreement") and by the issuance a Revolving Line of Credit Note (the "Note"); and

WHEREAS, the Village Council finds that approval of such Line of Credit is in the best interest of the Village and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated into this Resolution by this reference.

Section 2. Acceptance of Term Sheet. The Village Council of Islamorada, Village of Islands, hereby approves the Term Sheet attached hereto as Exhibit "A." Village Council finds that, due to the present volatility of the market for obligations such as the Note, and the complexity of the transactions relating to the Line of Credit, it is in the best interest of the Village to award the

Note to the Bank by a negotiated sale, rather than by public sale at a specified advertised date, in order to permit the Village to obtain the best possible terms and conditions, including interest rate, for the Note. Prior to the execution of the Credit Agreement, the Bank will deliver to the Village a disclosure statement and truth-in-bonding statements required by Chapter 218, Florida Statutes for the Note. As a condition for the delivery of the Note to the Bank, the Bank shall deliver to the Village a lender's letter in the form satisfactory to the Village Attorney for the Note. Execution of the Credit Agreement and Note by such officials shall constitute conclusive evidence of the approval thereof by the Village.

Section 3. Authorization of Project; Authorization of Advances. The Project, and the financing of the cost thereof through the issuance of the Note are approved by the Village Council. The Village authorizes the issuance of the Note in the aggregate principal amount not to exceed \$20,000,000, under the terms and conditions of the Term Sheet. The Village Manager upon further approval of the Village Council is hereby authorized to make Advances under the Credit Agreement for a Project to be authorized subsequently by the Village Council.

Section 4. Approval of Line of Credit Documents. The Mayor of the Village or in her absence, the Vice-Mayor, is authorized and directed to execute, and the Village Clerk or her designee is authorized to attest to the Credit Agreement and the Notes, in such form as approved by the Village Attorney. The Note shall be payable from and secured by a covenant to budget and appropriate non-ad valorem revenues in the manner and to the extent set forth in the Credit Agreement.

Section 5. Application of Proceeds of Advances. The proceeds derived from Advances made under the Credit Agreement shall be applied by the Village, consistent with this

Resolution and as subsequently authorized by the Village Council, as set forth in an Advance executed by the Village Manager and delivered at the time that the draws are made as set forth in the Credit Agreement.

Section 6. Authorization of Village Officials. The Mayor, Village Manager, Village Clerk, the Village Attorney and other authorized officers of the Village are authorized and directed to execute and deliver all documents, contracts, instruments and certificates and to take all actions and steps on behalf of the Village, including execution of all closing certificates, that are necessary or desirable in connection with the Line of Credit, the Credit Agreement, the Note, the Advances or otherwise, which are not inconsistent with the terms and provisions of this Resolution.

Section 7. Effective Date. This Resolution shall take effect immediately upon adoption

Remainder of this page intentionally left blank.

FINAL VOTE AT ADOPTION

VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS

| | |
|----------------------------|-----|
| Mayor Sharon Mahoney | Yes |
| Vice Mayor Don Horton | Yes |
| Councilman Steve Friedman | Yes |
| Councilwoman Deb Gillis | Yes |
| Councilwoman Anna Richards | Yes |

PASSED AND ADOPTED ON THIS 10th DAY OF NOVEMBER, 2025.

Sharon Mahoney
SHARON MAHONEY, MAYOR

ATTEST:

Marne McGrath
MARNE MCGRATH, VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE EXCLUSIVE USE AND BENEFIT OF
ISLAMORADA, VILLAGE OF ISLANDS:

John J. Quick
JOHN J. QUICK, VILLAGE ATTORNEY





my100bank.com

A Home BancShares Company

November 5, 2025 (Revised)

Islamorada, Village of the Islands
86800 Overseas Hwy
Islamorada, FL 33036

RE: Revolving Line of Credit for Working Capital

Dear Mr. Ron Saunders:

The information contained herein does not represent a commitment to lend by Centennial Bank. The actual terms and conditions upon which Centennial Bank might extend credit to you or your business are subject to satisfactory completion of due diligence, necessary credit approval and such other terms and conditions as determined by Centennial Bank, in its sole discretion. The terms discussed herein are confidential and, except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the Financing Recommendation or as may be required by law, may not be disclosed in whole or in part to any other person or entity without our prior written consent.

Borrower: Islamorada, Village of the Islands

Amount: \$20,000,000

Purpose: Revolving Line of Credit for Working Capital

Rate: 5.599% (Tax Exempt Equivalent)

Term: Interest only payments during initial 24 months, fully amortizing over the subsequent 60 months

Collateral: UCC/Unsecured

Fee: There will be no origination fee required with this loan. Normal closing costs incurred by the bank will be passed through, but expected to be minimal outside of our attorney review and loan document preparation fee \$5,000 or less. Additional cost included but not limited to Processing Fee \$1,025 and Documentary Stamps \$0 (Exempt)

Guarantors: N/A non-recourse

Additional Terms

& Conditions: The commitment to this loan is subject to the following terms and conditions:

- 1) Copy of all operating agreements and articles of incorporation of borrower and guarantors.
- 2) The loan documents will contain "Pursuit of Grant Proceeds," "Tax Compliance," "No Additional Indebtedness" and "Pledge of Grant Proceeds" covenants in a form acceptable to Bank.
- 3) Attorney-prepared loan documents and executed loan documents/agreements as required by the lender at borrower's expense.
- 4) Borrower to maintain primary business operating account at Centennial Bank.
- 5) Annually during the loan term, Borrower shall furnish Bank copies of CPA audited financial statements, adopted budget and such other financial information and reports as may be reasonably required by Bank.
- 6) An attorney opinion letter may be required by Village Counsel to attest to the Village's ability to enter into this credit facility, tax exempt qualified status for this loan and other pertinent matters of fact.
- 7) If this credit facility is later found to not be tax exempt equivalent qualified, the Village would agree that the Bank receive a rate adjustment to receive the equivalent yield to the interest as bid.
- 8) There will be no prepayment penalty on this loan.
- 9) Debt Service Coverage (DSC) 1.30x

This term sheet is only a limited summary of certain points of the transaction and as noted above is not an approval but merely for discussion purposes only. Note after review of entire package certain terms provided above could be changed if formal approval given.

If these general terms and condition are acceptable to you, the Bank will proceed with obtaining full financial packages and necessary information to seek approval of the request in these general terms.

On behalf of Centennial Bank, we appreciate the opportunity to present this term sheet. If you have any questions, please do not hesitate to contact me at 305.676.3007.

Respectfully,

Erica J. Garrick-Rodriguez

Erica Garrick-Rodriguez
Commercial Loan Officer I
Centennial Bank