

December 3, 2021

Ms. Angela Knecht Program Administrator State Revolving Fund Management 3900 Commonwealth Blvd., Mail Station 3505 Tallahassee, Florida 32399-3000

Re: FDEP SRF Loan -City of Flagler Beach – WWTP AWT and Capacity Expansion – Construction/Technical Services

Dear Ms. Knecht:

I am the duly appointed City Attorney for the City of Flagler Beach, Florida. The City proposes to borrow \$17,577,267 from the State Revolving Fund for technical services and construction of Advanced Wastewater Treatment and Capacity Expansion upgrades to the Flagler Beach WWTP. The loan will be secured by the net revenues of the City's water and sewer system and sewer impact fees. The pledged revenues are legally available to pledge. The City of Flagler Beach has the legal authority to increase rates to ensure repayment of the loan.

The pledge on revenues is subject to a prior lien with the following issues:

- (1) City of Flagler Beach Florida, Drinking Water State Revolving Fund DW 18010
- (2) City of Flagler Beach Florida, Clean Water State Revolving Fund Design Loan Agreement WW180130
- (3) City of Flagler Beach Florida, Ring Investments, LLC Governmental Lease Agreement

Thank you for your attention to this matter, Please feel free to contact me if I can provide any further information in support of the application or be assistance in anyway. I can be reached by email dsmith@shepardfirm.com

Sincerely,

D. Andrew Smith, III

City Attorney for City of Flagler Beach