

February 3, 2025

Mr. John Wade  
Chairman  
Captiva Erosion Prevention District  
11513 Andy Rosse Lane  
3<sup>rd</sup> Floor, Unit 4  
Captiva, FL 33924

Dear Mr. Wade:

This agreement, including Exhibits (collectively, the "Agreement"), sets forth the terms and conditions under which Integrity Public Finance Consulting LLC ("we" or "Integrity") will perform certain services described herein (the "Services") and work for Captiva Erosion Prevention District ("you" or "Client") as they relate to your bonds listed on Exhibit A (the "Bonds").

#### **I. Scope of Services – Arbitrage Rebate**

Integrity will in performance of the Services prepare a computation to determine the required rebate, if any, to the United States of amounts earned in excess of what is allowed for the Bonds (the "Rebate Amount") under §148(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code"). The Rebate Amount is the excess of the amount earned on all nonpurpose investments purchased with gross proceeds of the Bonds over the amount that would have been earned if such investments were invested at the yield on the issue.

The scope of the Service will include preparation of a "Rebate Report" for the Bonds containing detailed schedules supporting the computation of the Rebate Amount, if any, computed in accordance with the Code and related regulations (the "Arbitrage Regulations"). Additionally, if a remittance is due, a completed Internal Revenue Service Form 8038-T and filing instructions will be provided.

The ability of Integrity to perform the Services depends on the Client timely providing, or causing to be provided timely to Integrity, all data, information and resources reasonably required by Integrity to perform the Services. All such data and information shall be true, correct and complete in all material respects and not omit any material fact necessary to make any other data or information provided to Integrity not false or misleading. The Services and any other work shall be based solely upon such data, which identifies specific amounts subject to rebate. Integrity may rely on all such data and information. Integrity will not evaluate, nor will it have any responsibility to verify independently, the accuracy or completeness thereof or the sufficiency of such data and information for the Client's purposes.

In preparing the calculations of the Rebate Amount, Integrity will review applicable accounts to determine if they hold gross proceeds of the Bonds subject to rebate. As part of this review, we will determine if certain gross proceeds qualify for exemption from the rebate requirements. Specifically, we will determine if gross proceeds qualify for any of the Spending Exceptions under the Arbitrage Regulations, and we will determine if the Debt Service Fund constitutes a "bona fide debt service fund", as such term is defined in the Arbitrage Regulations. If the Debt Service Fund fails to meet the "bona fide debt service fund" requirements, the investment of amounts in the Debt Service Fund must be included in the calculation of the Rebate Amount. This will require work outside the scope of the Services, and, as described in the Fees and Expenses section of this Agreement, an additional fee will be charged for

calculations involving Debt Service Funds that do not constitute “bona fide debt service funds”. Once the applicable funds are identified, we will review cash flows from investments which were purchased with gross proceeds of the Bonds held in the applicable accounts. As prescribed by the Arbitrage Regulations, the includable cash flows are future valued to a date selected by Client (the “Computation Date”) using the yield on the Bonds to determine the Rebate Amount. Applicable computation credits permitted by the Arbitrage Regulations are also included in the computations.

## **II. No Coordination with Private Activity Regulations**

The purpose of our engagement and scope of Services is to determine the Rebate Amount pursuant to the Code. Sections 141-147 of the Code and related regulations set forth requirements with respect to the amount of bond proceeds that may be used for the benefit of a private person or entity. Treasury Regulations Section 1.141-6(a) requires that allocations of expenditures of bond proceeds for purposes of computing the Rebate Amount must be the same as the allocations of expenditures used to test the private use of projects financed with proceeds of the Bonds.

For purposes of calculating the Rebate Amount, our calculations assume that the allocations of expenditures of the Bond proceeds as provided to us by you are the same for both purposes of Sections 141-147 and Section 148 of the Code. The scope of Services does not include procedures to analyze the private use limitations associated with the Bonds.

## **III. Fees and Expenses**

Our base fees to prepare the rebate computations for the Bonds will be per Analysis Period as set forth in Exhibit A. A "Bond Year" represents a one-year period from the delivery date of the Bonds and each subsequent anniversary date of the delivery of the Bonds or shorter period if selected by the issuer. An additional amount equal to 10% of our fees will also be charged for administrative expenses. The Client's obligation to pay Integrity's fees and expenses is not contingent upon the results of the Services. An invoice will be issued at the time the completed Rebate Report is sent to you and is payable upon receipt.

If you request changes to the scope of the Services or if changes are required by then applicable law, regulation or professional requirements, schedule delays or other events beyond Integrity's reasonable control, but without its fault or negligence (collectively, "Change Events"), the parties shall equitably adjust Integrity's fees and/or timing of performance for the Services. A party shall be excused from default or delay in the performance of its obligations under this Agreement (other than payment obligations) to the extent caused by one or more Change Events.

If Integrity is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the Services or this Agreement, the Client shall, so long as Integrity is not a party to the proceeding in which the information is sought, reimburse Integrity for its professional time and expenses, as well as reasonable attorneys' fees and expenses, including the allocable cost of in-house counsel, incurred in responding to such requests.

To the extent data provided by Client does not specifically identify amounts subject to rebate, or the yield on the Bonds is not computed under Section 1.148-4(b) of the Arbitrage Regulations for fixed yield issues, certain additional services (the “Additional Services”) may be required. Additional fees will be charged for such Additional Services, as described below, at a rate of \$500.00 per additional service per Bond Year. Additional Services include, but are not limited to: (1) allocations required for bond proceeds invested in commingled funds, (2) calculations related to the universal cap rules, (3) transferred proceeds calculations due to refunding transactions, (4) variable rate yield computations, and (5) computations relating to qualified hedges. If gross proceeds are subject to the yield restriction requirements of the

Code and Arbitrage Regulations or computations for purposes of a delinquent IRS filing are required (so long as Integrity has no fault in the delinquency), additional fees to be determined at the time of service may also apply.

Integrity relies upon data provided by the Client in the performance of its computations. Fees quoted herein for the Services or quoted for other work assume that all necessary data is well documented, organized and provided in a timely manner. If data transmission or documentation results in inefficiencies or the unanticipated or excessive use of resources, additional fees and expenses may be charged. Integrity will discuss these additional fees and expenses with the Client prior to their being billed.

#### **IV. Term of the Agreement**

This Agreement will commence on the date hereof and have a term of five years, which will be extended at each anniversary date of this Agreement for one year unless a party gives notice of an intent not to extend the term. This Agreement may be terminated by either party with 30 days written notice to the other party with or without cause. Termination shall not cancel provisions hereof relating to dispute resolution, limitation of liability, notice, indemnity or relieve a party of accrued liabilities. The Client shall pay for work-in-progress, completed Services and expenses incurred by Integrity through the effective date of any termination.

#### **V. Indemnity**

To the fullest extent permitted by applicable law, the Client shall indemnify and hold harmless Integrity and their respective assignees, subcontractors, members, shareholders, directors, officers, managers, partners, employees, agents and consultants (collectively, "Indemnities"), from and against all (A) claims and causes of action, pending or threatened, of any kind (whether based on contract, tort or otherwise) by third parties, including any affiliate of the Client, related to or arising out of (1) the use, disclosure of or reliance on, any Rebate Reports or any other portion, abstract or summary thereof by any person or entity that obtains access to it, directly or indirectly, from, through or at the request of the Client, or (2) the Client's failure to provide timely, accurate and complete information and resources as necessary for Integrity to perform the Services in accordance herewith (collectively, "Claims") and (B) liabilities, losses, damages, costs and expenses (including, without limitation, reasonable outside attorneys' fees and the allocable costs of in-house counsel) suffered or incurred by any of the Indemnities in connection with any Claims.

#### **VI. Limitation of Liability**

To the fullest extent permitted by applicable law, the total aggregate liability of Integrity under this Agreement shall be limited to penalty and/or interest imposed on the Client by the United States Internal Revenue Service on any additional Rebate Amount that results from a proven error by Integrity in rendering the Services and other work. The Client, and not Integrity, shall be responsible for paying the correct Rebate Amount due and any penalty and/or interest imposed on the Client not resulting from a proven error by Integrity.

Integrity and Client each acknowledges and agrees that neither party will, in any event, be liable to the other, for any reason, for any consequential, incidental, indirect, special, punitive, exemplary or indirect damages, including, without limitation, loss of profits, revenue, data, use of money or business opportunities, regardless of whether notice has been given or there is an awareness that such damages have been or may be incurred.

## **VII. Technical Elements**

In performing the Services and work, Integrity may use certain data, tools, models, methodologies, programs, applications, systems, analysis frameworks, practices, and specifications developed or used by Integrity or its licensors, or to which Integrity otherwise has rights, including enhancements and improvements developed in the course of performing the Services and work (collectively, "Technical Elements"). The Client shall have no rights in or to the Technical Elements, except with respect to Technical Elements owned by Integrity solely to the extent necessary for the Client to use the Rebate Reports as permitted by this Agreement. Integrity retains all right to use its knowledge, experience and know-how, including the Technical Elements, in providing services to other clients.

Integrity shall own all work papers prepared by it to document, in accordance with professional obligations, performance of the Services, and it may retain, in confidence, copies of reports and other documents prepared by it.

## **VIII. Confidential Information**

Except as otherwise provided in this Agreement, without the prior written consent of the other party, neither party shall disclose Confidential Information (as defined below) of the other received in connection with the performance of the Services. The recipient shall use the same degree of care that it uses to protect its own confidential information of like nature, but no less than a reasonable degree of care, to maintain in confidence the Confidential Information of the disclosing party. Neither party shall have any obligation under this section with respect to any information that (1) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than the recipient in violation of this Agreement, (2) is subsequently learned from a third party that, to the knowledge of the recipient, is not under an obligation of confidentiality to the disclosing party, (3) was known to the recipient at the time of disclosure, as can be demonstrated by contemporaneous written evidence, (4) is generated independently by the recipient without reference to the Confidential Information of the disclosing party, as can be demonstrated by contemporaneous written evidence, or (5) is disclosed pursuant to applicable law, regulation, subpoena, other legal process or professional requirements or in connection with the enforcement of the recipient's rights under this Agreement.

For purposes of this section, Confidential Information shall mean (1) this Agreement, (2) its contents, and (3) proprietary information, relating to the business, operations, methodologies, technologies, personnel, customers, vendors, financial condition or procedures of a party that is not generally known to the public and that, under all of the circumstances, is commonly treated as confidential and/or proprietary.

Information relating to the arbitrage rebate calculations we provide to you, including communications between us and material we create in the course of providing that advice, may be privileged and protected from disclosure to the Internal Revenue Service. Should the Internal Revenue Service seek disclosure from us of written or oral communications relating to such advice, we will notify you.

Integrity shall own all work papers prepared by it to document, in accordance with professional obligations, performance of the Services, and it may retain, in confidence, copies of reports and other documents prepared by it. The Rebate Report and other documents delivered by us to you are for your sole use and may not be relied upon by any other person.

Notwithstanding anything contained herein to the contrary, Integrity may transmit information to the Client or its representatives by e-mail, over the Internet. Until the Client specifically instructs Integrity in

writing not to transmit information in such manner, any breach of confidentiality that occurs thereby shall not be deemed a breach of Integrity's obligations under this section.

#### **IX. Municipal Advisory Services Not Performed**

Under this Agreement Integrity is not acting as a municipal advisor nor does it owe a fiduciary duty to Client pursuant to Section 15B of the Securities Exchange Act of 1934, as amended by Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Under no circumstances will Client request Integrity to provide, and Integrity will not in fact provide or be required to provide, any municipal advisory services pursuant to this Agreement. During the term of the Agreement, Client will cooperate with Integrity to ensure that the Agreement and the services to be provided by Integrity hereunder, are interpreted by the parties, and if necessary amended, in a manner intended to ensure that Client is not asking Integrity to provide, and Integrity is not in fact providing or required to provide, any municipal advisory services.

#### **X. Additional Matters**

The Client represents and warrants to Integrity that its governing body has authorized the Client to enter into, be bound by and perform this Agreement, and the person signing this Agreement for it is expressly authorized to execute it on behalf of, and to bind, the Client.

Any dispute or claim arising out of or relating to the Services or this Agreement shall be resolved by the procedure set forth in Exhibit B. All proceedings shall take place in Jacksonville, Florida. Judgment on any arbitration award may be entered in any court having jurisdiction.

Integrity will provide the Services and other work to the Client as an independent contractor. Nothing contained in this Agreement shall create an employment or principal-agent relationship or joint venture between Integrity and the Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner whatsoever.

Integrity is a wholly-owned subsidiary of Bryant Miller Olive P.A., a law firm with its principal office located in Tallahassee, Florida. Notwithstanding the foregoing, Integrity is not engaged in the practice of law and therefore does not provide legal services, advice and representation. The Services and work performed by Integrity do not constitute nor shall be deemed to be the practice of law. The existence of this Agreement does not prevent Client from retaining Bryant Miller Olive P.A. to provide legal services in connection with the Bonds. Moreover, this Agreement does not prevent Bryant Miller Olive P.A. from representing third parties involved in the Bond issue as, including but not limited to, third parties acting as underwriter, trustee, insurer, paying agent, swap counterparty, letter of credit issuers, remarketing agent, or in any other capacity.

None of a party's rights, obligations or claims under or with respect to this Agreement or the Services may be assigned, in whole or in part, by such party without the prior written consent of the other party. The provisions of this Agreement shall operate for the benefit of the parties hereto and not third party, provided that this Agreement may be enforced by, any assignee or subcontractor that is providing any of the Services as permitted hereby.

Notices required or permitted under this Agreement shall be in writing. Notices to the Client shall be sent to the address above and notices to Integrity shall be sent to our office address. Notices will be effective upon delivery in person, by registered mail or recognized overnight courier.

This Agreement constitutes the entire agreement between the Client and Integrity, and supersedes all prior and contemporaneous communications, with respect to the Services and the other matters contemplated by this Agreement. This Agreement may not be modified except in a writing signed by both parties. If any provision of this Agreement is held to be void, invalid or otherwise unenforceable, in whole or part, the other provisions shall remain in full force and effect.

If the terms of this letter are satisfactory, please sign one copy of this Agreement acknowledging our agreement and return it in the enclosed envelope. We very much appreciate the opportunity to serve you. If you have any questions, please contact Laurie Scott at (904) 652-0790.

Very truly yours,

*Integrity Public Finance Consulting*

Acknowledged:

**Captiva Erosion Prevention District**

---

Signature

Date

---

Printed Name

---

Title

**Exhibit A**  
Fees

Professional fees for Services described herein will be billed per issue per Analysis Period at the rates shown below. A one-time setup fee of \$150 will be charged for the initial computation. A report of findings including a firm opinion and applicable supporting schedules will be provided upon the conclusion of our analysis. If a payment is due to the IRS, Form 8038-T and instructions for filing will be provided at no additional cost.

<b>Issue</b>	<b>Analysis Period</b>	<b>Fee*</b>
Captiva Erosion Prevention District \$18,000,000 Promissory Notes	9/15/2021 – 12/31/2024	\$6,250

\*Fee assumes record of gross proceeds identifying dates and amounts of proceeds deposit, investment, withdrawal and expenditure.



**Exhibit B**  
Dispute Resolution Procedures

***Mediation***

Prior to commencing arbitration of a dispute, claim or controversy arising out of, relating to or in connection with the Services, work or this Agreement, a party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the CPR Institute for Dispute Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties. The mediation conference will be held in Jacksonville, Florida. All communications related thereto shall be treated as a settlement discussion and shall therefore be confidential. Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

***Arbitration***

If the parties have not resolved the dispute, claim or controversy within 90 days after written notice beginning mediation, the mediation shall terminate and the dispute shall be resolved by arbitration. Arbitration of a dispute will be conducted in accordance with the procedures in this Agreement and the CPR Rules for Non-Administered Arbitration ("Rules").

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort. Damages that are inconsistent with the remedies permitted under the Agreement shall be unavailable in arbitration or any other forum.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.