

CERTIFICATION OF RESOLUTION



CITY OF ALACHUA, FLORIDA

RESOLUTION 19 03

This is to certify that the Alachua City Commission, meeting in regular session on January 14, 2019, with a quorum present and voting, duly adopted the above-titled Resolution.

I hereby certify that this is a true and exact copy of said Resolution as passed and as is on file in this office.

Dated this 14th day of January, 2019.

A handwritten signature in blue ink, reading "Alan S. Henderson", is written over a horizontal line.

Alan S. Henderson
Deputy City Clerk
City of Alachua, Florida

RESOLUTION NO. 19-03

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF ALACHUA, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,500,000 CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2019 TO FINANCE THE COST OF CERTAIN CAPITAL IMPROVEMENTS RELATED TO THE CITY'S WATER AND WASTEWATER INFRASTRUCTURE AND TO PAY ASSOCIATED TRANSACTIONAL COSTS; PROVIDING THAT SUCH NOTE SHALL BE A LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF SUCH NOTE; MAKING SUCH DETERMINATIONS AS ARE REQUIRED TO AFFORD SUCH NOTE "BANK QUALIFIED" STATUS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF ALACHUA, FLORIDA, that:

Section 1: Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Parts I and II, Florida Statutes, the municipal charter of the City of Alachua, Florida, and other applicable provisions of law (collectively, the "Act").

Section 2: Definitions. All capitalized undefined terms shall have the same meanings as set forth in this Resolution, as hereinafter defined. In addition, the following terms, unless the context otherwise requires, shall have the meanings specified in this section. Words importing the singular number shall include the plural number in each case and vice versa.

"Business Day" shall mean any day except any Saturday or Sunday or day on which the Principal Office of the Original Purchaser is lawfully closed.

"City Attorney" shall mean the City Attorney of the Issuer or any Assistant or Deputy City Attorney, or his or her designee.

"City Clerk" shall mean the City Clerk of the Issuer or any Assistant or Deputy City Clerk, or his or her designee.

"City Manager" shall mean the City Manager of the Issuer or any Assistant or Deputy City Manager, or his or her designee.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

"Debt Service Fund" shall mean the Debt Service Fund established with respect to the Note pursuant to Section 11 hereof.

"Finance Director" shall mean the Finance and Administrative Services Director of the City or any Assistant or Deputy Finance and Administrative Services Director, or his or her designee.

"Fiscal Year" shall mean the period commencing on October 1 of each year and ending on the next succeeding September 30 or such other annual period as may be prescribed by law from time to time for the Issuer.

"Issuer" shall mean the City of Alachua, Florida, a municipal corporation of the State of Florida.

"Maturity Date" shall mean October 1, 2035.

"Mayor" shall mean the Mayor of the Issuer, or in his or her absence or unavailability, the Vice-Mayor of the Issuer.

"Non-Ad Valorem Revenues" shall mean all revenues of the Issuer derived from any source whatsoever other than ad valorem taxation, which are legally available for to pay debt service on the Note.

"Note Counsel" shall mean Bryant Miller Olive P.A., or other nationally recognized bond counsel firm.

"Note" shall mean the Issuer's Capital Improvement Revenue Note, Series 2019 authorized by Section 4 hereof.

"Original Purchaser" shall mean CenterState Bank, N.A., a national banking association.

"Owner" shall mean the Person in whose name the Note shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of this Resolution.

"Permitted Lender" shall mean an affiliate of the Original Purchaser or one or more banks, insurance companies, or other similar financial institutions.

"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 the Non-Ad Valorem Revenues budgeted, appropriated and deposited in the Debt Service Fund and any proceeds of the Note on deposit in the Project Fund as provided herein.

"Principal Office" shall mean with respect to the Original Purchaser, the office located at 175 Cypress Point Parkway, Palm Coast, Florida 32164 or such other office as the Original Purchaser may designate to the Issuer in writing.

"Project" shall mean certain capital improvements related to the Issuer's water and wastewater infrastructure described as "Alachua East Wastewater Collection Infrastructure Improvements" and "Alachua West Utility Infrastructure Improvements," as more particularly described in materials on file with the Issuer.

"Project Fund" shall mean the Project Fund established with respect to the Note pursuant to Section 12 hereof.

"Resolution" shall mean this Resolution, pursuant to which the Note is authorized to be issued, including any supplemental resolution(s).

"State" shall mean the State of Florida.

Section 3: Findings.

(A) For the benefit of its citizens, the Issuer finds, determines and declares that it is beneficial for the continued preservation of the health, welfare and convenience of the Issuer and its citizens and to serve a public purpose to finance the costs of the Project.

(B) Debt service on the Note will be secured by a covenant to budget, appropriate and deposit Non-Ad Valorem Revenues as provided herein. The Pledged Revenues will be sufficient to pay the principal and interest on the Note herein authorized, as the same become due, and to make all deposits required by this Resolution.

(C) The Issuer shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Note or to make any other payments to be made hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. The Note shall not constitute a lien on any property owned by or situated within the city limits of the Issuer other than the Pledged Revenues.

(D) It is estimated that the Non-Ad Valorem Revenues will be available after satisfying funding requirements for obligations having an express lien on or pledge thereof and after satisfying funding

requirements for essential governmental services of the Issuer, in amounts sufficient to provide for the payment of the principal of and interest on the Note and all other payment obligations hereunder.

(E) The Issuer, after soliciting proposals in response to a request for loan proposals distributed by the Issuer on October 30, 2018 for financing and/or refinancing the costs of the Project and, receiving multiple responses complying with the structure described in such request, has selected the Original Purchaser to purchase the Note.

Section 4: Authorization of Note and Project. Subject and pursuant to the provisions of this Resolution, an obligation of the Issuer to be known as the "City of Alachua, Florida Capital Improvement Revenue Note, Series 2019" is hereby authorized to be issued under and secured by this Resolution in the principal amount of not to exceed \$4,500,000 for the purpose of financing the costs of the Project and paying the costs of issuing the Note. The use of the proceeds of the Note as heretofore described is authorized. The Project is also hereby authorized.

Because of the characteristics of the Note, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Note, it is in the best interest of the Issuer to accept the offer of the Original Purchaser to purchase the Note at a private negotiated sale, which was based upon a competitive selection process. Prior to the issuance of the Note, the Issuer shall receive from the Original Purchaser a Lender's Certificate, in substantially the form attached hereto as Exhibit B and a Disclosure Letter containing the information required by Section 218.385, Florida Statutes, in substantially the form attached hereto as Exhibit C.

Section 5: This Resolution to Constitute Contract. In consideration of the acceptance of the Note authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Owner.

Section 6: Description of the Note. The Note shall be dated the date of its execution and delivery, which shall be a date agreed upon by the Issuer and the Original Purchaser, subject to the following terms:

(A) **Interest Rate.** The Note shall have a fixed interest rate equal to 3.29% per annum calculated on a 30/360-day basis, subject to adjustment as provided in the Note.

(B) **Principal and Interest Payment Dates.** Interest on the Note shall be paid semi-annually on each April 1 and October 1, commencing October 1, 2019. Interest payments should be payable only on the amount drawn which remains outstanding. Principal on the Note shall be paid in the amounts and on the dates set forth in the Note with a final maturity date of the Maturity Date.

(C) **Prepayment of the Note.** The Note shall be subject to prepayment as described in the Note.

(D) **Form of the Note.** The Note is to be in substantially the form set forth in Exhibit A attached hereto, together with such non-material changes as shall be approved by the Mayor, such approval to be conclusively evidenced by the execution thereof by the Mayor.

Upon original issuance, the Note shall initially be in the mode of a non-revolving line of credit permitting the Issuer to draw not to exceed \$4,500,000 in the principal amount at any one time.

Effective on January 22, 2020, all undrawn amounts of the Note shall automatically be drawn (without the need to present a Requisition to the Owner) and the Note shall automatically convert into a term loan in a principal amount equal to the principal amount drawn and outstanding on the Note.

Section 7: Advances under the Note.

On or prior to January 22, 2020, the Note may be drawn upon the Note in multiple drawings (each an "Advance") under the following terms:

(A) Each Advance must be requested by the Issuer (a "Requisition") in writing in the form attached hereto as Exhibit D, executed by the Finance Director and delivered to the Owner.

(B) The amount of an initial Advance, dated the date of the Note, shall not be less than \$250,000.

(C) Each Advance must be applied to pay for the costs of the Project and/or the costs of issuance of the Note.

Notwithstanding anything herein to the contrary, all undrawn amounts under the Note (i.e., initial principal amount of the Note less the aggregate amount of prior Advances) shall automatically be drawn by the Issuer on January 22, 2020 without the need to present a Requisition to the Owner.

Section 8: Execution and Delivery of Note. The Note shall be executed in the name of the Issuer by the Mayor and attested and countersigned by its City Manager and City Clerk, either manually or with their facsimile signatures, and the corporate seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. In case any one or more of the officers who shall have signed or sealed the Note or whose signature shall appear thereon shall cease to be such officer of the Issuer before the Note so signed and sealed has been actually sold and delivered, the Note may nevertheless be sold and delivered as herein provided and may be issued as if the Person who signed or sealed the Note had not ceased to hold such office. The Note may be signed and sealed on behalf of the Issuer by such Person who at the actual time of the execution of such Note shall hold the proper office of the Issuer, although, at the date of such Note, such Person may not have held such office or may not have been so authorized.

Section 9: Registration and Exchange of the Note; Persons Treated as Owner. The Note is initially registered to the Original Purchaser. So long as the Note shall remain unpaid, the Issuer will keep books for the registration and transfer of the Note. The Note shall be transferable only upon such registration books. Notwithstanding anything herein to the contrary, the Original Purchaser may in the future make transfers, in whole or in part, or enter into participation agreements or securitization transactions with respect to the Note; provided, however, such transfers shall be only to Permitted Lenders that execute and

deliver to the Issuer a Lender Certificate substantially in the form attached hereto as Exhibit B as a pre-condition and the Note may only be transferred in whole.

The Persons in whose name the Note shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of principal and interest on such Note shall be made only to or upon the written order of the Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 10: Payment of Principal and Interest; Limited Obligation. The Issuer promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Note is secured by a pledge of and lien upon the Pledged Revenues in the manner and to the extent described herein. The Note shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from the Pledged Revenues in accordance with the terms hereof. No Owner of the Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or the use of ad valorem tax revenues to pay such Note, or be entitled to payment of such Note from any funds of the Issuer except from the Pledged Revenues as described herein.

Section 11: Covenant to Budget and Appropriate. The Issuer covenants and agrees to appropriate in its annual budget, by amendment if necessary, for each Fiscal Year in which the Note remains outstanding, and deposit into the Debt Service Fund, sufficient amounts of Non-Ad Valorem Revenues for the payment of principal of and interest on the Note and to make all other payments required hereunder in each such Fiscal Year. Such covenant and agreement on the part of the Issuer shall be cumulative and shall continue and carry over from Fiscal Year to Fiscal Year until all payments of principal of and interest on the Note shall have been budgeted, appropriated, deposited and actually paid. The Issuer agrees that this covenant and agreement shall be deemed to be entered into for the benefit of the Owner of the Note and that this obligation may be enforced in a court of competent jurisdiction. Notwithstanding the foregoing or any provision of this Resolution to the contrary, the Issuer does not covenant to maintain any services or programs now maintained or provided by the Issuer, including those programs and services which generate Non-Ad Valorem Revenues. Other than as provided in Section 21 hereof, this covenant and agreement shall not be construed as a limitation on the ability of the Issuer to pledge all or a portion of such Non-Ad Valorem Revenues or to covenant to budget and appropriate Non-Ad Valorem Revenues for other legally permissible purposes. Nothing herein shall be deemed to pledge ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no Owner of the note or other Person may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer for the payment of the Issuer's obligations hereunder.

However, this covenant to budget and appropriate in its annual budget for the purposes and in the manner stated herein has the effect of making available for the payment of the Note the Non-Ad Valorem Revenues of the Issuer in the manner provided herein and placing on the Issuer a positive duty to appropriate and budget, by amendment if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 166.241, Florida Statutes, insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after the satisfaction of the funding

requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer. The obligation of the Issuer to make such payments from its Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues and funding requirements for essential public purposes affecting health, welfare and safety of the inhabitants of the Issuer. The Issuer has previously and, subject to Section 21 hereof, may hereafter provide a covenant to budget and appropriate Non-Ad Valorem Revenues or pledge all or a portion of such Non-Ad Valorem Revenues to provide for the payment of obligations (including debt obligations) incurred by the Issuer. No priority of payment among such obligations is established by the provision of a covenant to budget and appropriate Non-Ad Valorem Revenues for the payment thereof.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues until such funds are deposited in the Debt Service Fund established pursuant to this Section 11, nor, subject to satisfaction of Section 21 hereof, does it preclude the Issuer from pledging in the future or covenanting to budget and appropriate in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Owner of the Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. The payment of the debt service of the Note issued hereunder shall be secured forthwith equally and ratably by a pledge of and a lien upon the Pledged Revenues, as now or hereafter constituted. The Issuer does hereby irrevocably pledge such Pledged Revenues to the payment of the principal of and interest on the Note issued pursuant to this Resolution, and the Issuer does hereby irrevocably agree to the deposit of Non-Ad Valorem Revenues into the Debt Service Fund at the times provided of the sums required to make payments required hereunder, and the payment of the principal of and interest thereon when due. 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 claims of any kind in tort, contract or otherwise against the Issuer.

There is hereby created and established the "City of Alachua, Florida Capital Improvement Revenue Note, Series 2019 Debt Service Fund," which shall be held solely for the benefit of the Owner of the Note. The Debt Service Fund shall be deemed to be held in trust for the purposes provided herein for such Debt Service Fund. The money in such Debt Service Fund shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State. The designation and establishment of the Debt Service Fund in and by this Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided. The Issuer may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Owner of the Note, the Debt Service Fund established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from such Debt Service Fund as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state

authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars (\$50,000,000).

Until applied in accordance with this Resolution, the Non-Ad Valorem Revenues of the Issuer on deposit in the Debt Service Fund and other amounts on deposit from time to time in the funds and accounts established herein, plus any earnings thereon, shall be pledged to the repayment of the Note.

Section 12: Application of Proceeds of Note. The proceeds received from the sale of the Note shall be applied by the Issuer simultaneously with the delivery of the Note to the Original Purchaser, as follows:

- (1) To the extent not reimbursed therefor by the Original Purchaser of the Note, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Note;
- (2) Remaining proceeds shall be deposited in the Project Fund.

The Issuer covenants and agrees to establish a special fund to be designated "City of Alachua, Florida Capital Improvement Revenue Note, Series 2019, Project Fund." The designation and establishment of the Project Fund by this Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain assets of the Issuer for certain purposes and to establish certain priorities for application of such assets as herein provided. Amounts on deposit from time to time in the Project Fund, plus any earnings thereon, are pledged to the repayment of the Note. Costs of the Project will be paid from the Project Fund.

Section 13: Tax Covenant. The Issuer covenants to the Owner of the Note provided for in this Resolution that the Issuer will not make any use of the proceeds of the Note at any time during the term of the Note which, if such use had been reasonably expected on the date the Note was issued, would have caused such Note to be "arbitrage bonds" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Note from the gross income of the Owner thereof for purposes of federal income taxation.

Section 14: Bank Qualified Status. The Issuer designates the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during the calendar year 2019 to issue more than \$10,000,000 of "tax-exempt" obligations including the Note, exclusive of any private activity bonds as defined in Section 141(a) of the Code (except for qualified 501(c)(3) bonds as defined in Section 145 of the Code).

Section 15: Amendment. This Resolution shall not be modified or amended in any respect subsequent to the issuance of the Note, except with the written consent of the Owner of the Note.

Section 16: Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Note is intended or shall be construed to give to any Person other than the Issuer and the Owner any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Owner.

Section 17: Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Owner furnishing the Issuer proof of ownership thereof and indemnity reasonably satisfactory to the Issuer and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. The Note so surrendered shall be canceled.

Section 18: Impairment of Contract. The Issuer covenants with the Owner of the Note that it will not, without the written consent of the Owner of the Note, enact any ordinance or adopt any resolution which repeals, impairs or amends in any manner adverse to the Owner the rights granted to the Owner of the Note hereunder.

Section 19: Financial Information. Upon written request and to the extent that such information is not available on <http://www.cityofalachua.com/index.php/finance-sub/financial-reports-budgets>, not later than 270 days following the close of each Fiscal Year, the Issuer shall provide to the Owner of the Note at no cost, a copy of its Comprehensive Annual Financial Report including annual financial statements for each Fiscal Year of the Issuer, prepared in accordance with applicable law and generally accepted accounting principles and audited by an independent certified public accountant. Upon written request and to the extent that such information is not available on <http://www.cityofalachua.com/index.php/finance-sub/financial-reports-budgets>, not later than 60 days following adoption, the Issuer shall provide to the Owner of the Note, at no cost, a copy of its annual budget. The Issuer shall also provide the Owner such other financial information as the Owner may reasonably request.

Section 20: Events of Default; Remedies of Owner of the Note. The following shall constitute "Events of Default": (i) if the Issuer fails to pay any payment of principal of or interest on the Note; (ii) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Resolution or the Note (other than set forth in (i) above) and fails to cure the same within thirty (30) days following notice thereof; or (iii) filing of a petition by or against the Issuer relating to bankruptcy, reorganization, arrangement or readjustment of debt of the Issuer or for any other relief relating to the Issuer under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the Issuer, and the continuance of any such event for 90 days undismissed or undischarged.

Upon the occurrence and during the continuation of any Event of Default, the Owner of the Note may protect and enforce any and all rights under the laws of the State, or granted or 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 and may recover from the Issuer all expenses incurred including without limitation reasonable attorney's fees, at all levels of the proceedings, whether incurred in connection with collection, bankruptcy, proceedings, trial, appeal or otherwise.

Acceleration of the payment of principal of and interest on the Note shall not be a remedy hereunder in the case of an Event of Default.

Section 21: Anti-Dilution Test. The Issuer may incur additional debt secured by all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues for the prior Fiscal Year was at least 3.50 times the maximum annual debt service of all debt (including all long-term financial obligations appearing on the Issuer's most recent audited financial statements and the debt proposed to be incurred) to be paid from Non-Ad Valorem Revenues other than debt exclusively paid from electric, water and sewer revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources.

For purposes of calculating maximum annual debt service if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination ("Variable Rate Debt"), interest on such Variable Rate Debt shall be computed as follows:

- (a) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is less than or equal to 25% of the principal amount of all Debt (including the Debt proposed to be incurred), an interest rate equal to the higher of 12% per annum or The Bond Buyer 40 Index shall be assumed; or
- (b) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is more than 25% of the principal amount of all Debt (including the Debt proposed to be incurred), the maximum rate which could be borne by such Variable Rate Debt shall be assumed.

For purposes of calculating maximum annual debt service, balloon indebtedness shall be assumed to amortize in up to 20 years on a level debt service basis. In the event that the Issuer is required to fund a reserve fund, the funding of such reserve fund shall be included in the calculation of debt service. For purposes of this paragraph, "balloon indebtedness" includes indebtedness if 25% or more of the principal amount thereof comes due in any one year.

The Issuer shall perform the calculations referenced above on an annual basis to ensure the Non-Ad Valorem Revenues for the prior Fiscal Year were at least 1.25 times the maximum annual debt service of the Debt, failure to meet such minimum coverage shall constitute an Event of Default under this Resolution.

Section 22: Business Days. In any case where the due date of interest on or principal of Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be

made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Owner.

Section 23: Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 24: Rules of Interpretation. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

Section 25: Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 26: Members of the City Commission Not Liable. No covenant, stipulation, obligation or agreement contained in this Resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Issuer in his or her individual capacity, and neither the members of the City Commission nor any Person executing the Note shall be liable personally on the Note or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the Note or this Resolution.

Section 27: Authorizations. The members of the City Commission of the Issuer, the Mayor, the City Manager, the Finance Director and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform 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 of the terms, covenants and agreements contained in the Note and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Note Counsel or the Original Purchaser to effectuate the sale of the Note. All action taken to date by the officers, attorneys and any other agents and employees of the Issuer in furtherance of the issuance of the Note is hereby approved, confirmed and ratified.

Section 28: Severability and Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, but 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 or provisions and shall in no way affect the validity of the other provisions hereof or of the Note.

Section 29: Effective Date. This Resolution shall become effective immediately upon its passage and adoption.

Adopted this 14th day of January, 2019.

(SEAL)

CITY OF ALACHUA, FLORIDA

By: _____

Mayor

ATTESTED AND COUNTERSIGNED:

City Manager and City Clerk



EXHIBIT A
[FORM OF NOTE]

Dated Date: January __, 2019

\$4,500,000

Interest Rate 3.29%
(subject to adjustment as described herein)

STATE OF FLORIDA
CITY OF ALACHUA, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2019

KNOW ALL MEN BY THESE PRESENTS that the City of Alachua, Florida (the "Issuer"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of CENTERSTATE BANK, N.A., or registered assigns (hereinafter, the "Owner"), the principal sum of \$4,500,000, on the dates and in the amounts as hereinafter described, together with interest on the principal balance at the "Interest Rate" described below, calculated on a 30/360-day basis, however, that such Interest Rate shall in no event exceed the maximum interest rate permitted by applicable law. This Note shall have a final "Maturity Date" of October 1, 2035.

This Note shall initially be issued as a non-revolving line of credit subject to draws and further subject to conversion to a term loan, all in the manner and to the extent described in the hereinafter defined Resolution.

"Interest Rate" shall mean a per annum rate equal to 3.29%, subject to adjustment in accordance with the terms hereof.

Interest shall be payable to the Owner on each April 1 and October 1, commencing on October 1, 2019 (each an "Interest Payment Date").

A final payment in the amount of the remaining principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date.

This Note may be prepaid at the option of the Issuer in whole or in part at any time with no penalty.

All payments by the Issuer pursuant to this Note shall apply first to accrued interest, then to other charges due the Owner, and the balance thereof shall apply to principal.

THIS NOTE DOES NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE OWNER OF THIS NOTE THAT SUCH OWNER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE ISSUER OR TAXATION OF ANY REAL OR PERSONAL PROPERTY THEREIN OR THE USE OF AD VALOREM TAX REVENUES FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE OR THE MAKING OF ANY OTHER PAYMENTS PROVIDED FOR IN THE RESOLUTION.

This Note is issued pursuant to provisions of Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Parts I and II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law, and a resolution duly adopted by the Issuer on January 14, 2019, as amended and supplemented from time to time (herein referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. All terms, conditions and provisions of the Resolution including, without limitation, remedies in the Event of Default are by this reference thereto incorporated herein as a part of this Note. Payment of the Note is secured by a covenant to budget, appropriate and deposit Non-Ad Valorem Revenues of the Issuer and, a pledge of and lien upon the Pledged Revenues, in the manner and to the extent described in the Resolution. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

Unless earlier prepaid, the principal amount of this Note shall be paid in the following amounts on the following dates:

| <u>Year</u> <u>(October 1)</u> | <u>Principal</u> <u>Payment</u> |
|-----------------------------------|------------------------------------|
| 2020 | \$390,000 |
| 2021 | 405,000 |
| 2022 | 210,000 |
| 2023 | 220,000 |
| 2024 | 230,000 |
| 2025 | 245,000 |
| 2026 | 240,000 |
| 2027 | 255,000 |
| 2028 | 260,000 |
| 2029 | 265,000 |
| 2030 | 270,000 |
| 2031 | 285,000 |
| 2032 | 290,000 |
| 2033 | 300,000 |
| 2034 | 310,000 |
| 2035 | 325,000 |

This Note may be exchanged or transferred by the Owner hereof to any Permitted Lender but only upon the registration books maintained by the Issuer and in the manner provided in the Resolution.

The Owner may, at its option, collect from the Issuer a late charge of five percent (5%) of any payment not received by the Owner within ten (10) days after the payment is due.

Upon and during the continuance of an Event of Default, this Note shall bear interest at the "Default Rate". For purposes of this Note, the term "Default Rate" shall mean the lesser of (i) 6.29% per annum or (ii) the maximum interest rate permitted by applicable law.

If for any reason a Determination of Taxability occurs solely as a result of action or inaction by the Issuer, the Owner may, in its discretion, with ten (10) days advance written notice to the Issuer, adjust the Interest Rate on this Note to 4.23%.

"Determination of Taxability" shall mean that as a consequence of the action or inaction of the Issuer, all or a portion of the interest accrued or paid on all or any portion of this Note is not excludable from the gross income of the Owner (or any former Owner) of this Note for federal income tax purposes, as determined by such Owner (or any former Owner). Upon the occurrence of Determination of Taxability, the adjusted rate shall be effective as of the date interest is deemed to be includable in the Owner's gross income.

As long as no Determination of Taxability shall have occurred and remain ongoing, upon the occurrence of a Loss of BQ Status and for as long as this Note remains outstanding, the Owner may, in its discretion, with ten (10) days advance written notice to the Issuer, adjust the Interest Rate on this Note to the Adjusted BQ Rate.

"Adjusted BQ Rate" shall mean, upon a Loss of BQ Status, a per annum rate equal to 3.34%.

"Loss of BQ Status" means a determination by the Owner that this Note is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code based on action or inaction of the Issuer.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Alachua, Florida, has issued this Note and has caused the same to be signed by the Mayor, and attested and countersigned to by the City Manager and City Clerk, and its seal or facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the _____ day of _____, _____.

(SEAL)

CITY OF ALACHUA, FLORIDA

ATTESTED AND COUNTERSIGNED:

Mayor

City Manager and City Clerk

EXHIBIT B

FORM OF LENDER'S CERTIFICATE

This is to certify that CenterState Bank, National Association (the "Lender") has made a loan (the "Loan") to the City of Alachua, Florida (the "Issuer"). The Loan is evidenced by the Issuer's Capital Improvement Revenue Note, Series 2019 dated _____, 2019 (the "Note"). The Lender acknowledges that the Loan is being made as a direct loan and not through the purchase of municipal securities and that the Issuer will not make a filing with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access repository. Any capitalized terms not otherwise defined herein shall have the meanings set forth in Resolution No. ____ adopted by the City Commission of the Issuer on January 14, 2019, as may be amended and supplemented from time to time (the "Resolution").

We are aware that investment in the Loan involve various risks, that the Note is not a general obligation of the Issuer or payable from ad valorem tax revenues, and that the repayment of the Loan is secured solely from the sources described in the Resolution (the "Loan Security").

We have made such independent investigation of the Loan Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our lending decision, we have relied upon the accuracy of information which has been provided to us by the Issuer and PFM Financial Advisors LLC (the "Financial Advisor"). We acknowledge that the Financial Advisor is not acting as a placement agent.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our Loan and can bear the economic risk of our Loan.

The Lender has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the Loan and no inference should be drawn that the Lender, in the acceptance of said Note, is relying on Note Counsel or the City Attorney as to any such matters other than the legal opinion rendered by such parties.

We acknowledge that no CUSIP numbers or credit ratings have been obtained with respect to the Note. We further acknowledge that we are making the Loan for our own account, we do not currently intend to syndicate the Loan, we will take no action to cause the Note to be characterized as a security, we will not treat the Loan as a municipal security for purposes of the securities law, the Loan will not be used in the future on a securitized transaction and is not a municipal security.

We understand that the Loan is evidenced by the Note and the Note is issued in a single denomination equal to the aggregate principal amount of the Loan and may not be transferred except in whole to a Permitted Lender with the Issuer's consent. "Permitted Lender" means any bank, trust company, savings institution or insurance company that is engaged as a regular part of its business in making loans and is authorized to do business in the State of Florida.

We are not acting as a broker or other intermediary and are funding the Loan with our own capital and for our own account and not with a present view to a resale or other distribution to the public. We are a bank as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

This Certificate is furnished by us as Lender based solely on our knowledge on the day hereof and is solely for the benefit of the Issuer and may not be relied upon by, or published or communicated to, any other person without our express written consent. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention.

DATED this ____ of _____, 2019.

CENTERSTATE BANK, N.A.

By: _____
Name: Garry R. Lubi
Title: Senior Vice President and
Commercial Lender

EXHIBIT C

FORM OF DISCLOSURE LETTER

Following a competitive selection process, the undersigned, as purchaser, proposes to negotiate with City of Alachua, Florida (the "Issuer") for the private purchase of its \$4,500,000 Capital Improvement Revenue Note, Series 2019 (the "Note"). Prior to the award of the Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Lender") in connection with the issuance of the Note (such fees and expenses to be paid by the Issuer):

Lender's Counsel
Akerman LLP
\$5,000.00

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Lender in connection with the issuance of the Note to any person not regularly employed or retained by the Lender (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Lender, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Lender, or to the knowledge of the Lender, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Lender or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Note.

3. The amount of the underwriting spread expected to be realized by the Lender is \$0.

4. The management fee to be charged by the Lender is \$0.

5. Truth-in-Bonding Statement:

You have disclosed to us that the Note is being issued primarily to finance the cost certain capital improvements related to the Issuer's infrastructure.

Unless earlier prepaid, the Note is expected to be repaid by October 1, 2035; at an interest rate of 3.29%, total interest paid over the life of the Note is estimated to be \$1,363,705.00.

The Note will be payable solely from a covenant to budget, appropriate and deposit from Non-Ad Valorem Revenues sufficient to make such payments, appropriated and deposited as described in a resolution of the Issuer adopted on January 14, 2019 (the "Resolution"). See the Resolution for a definition of Non-Ad Valorem Revenues. Issuance of the Note is estimated to result in an annual average of approximately \$350,886.60 of revenues of the Issuer not being available to finance the other services of the Issuer during the life of the Note. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

6. The name and address of the Lender is as follows:

CenterState Bank, N.A.
175 Cypress Point Parkway
Palm Coast, Florida 32164

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf
of the Lender this ____ day of _____, 2019.

CENTERSTATE BANK, N.A.

By: _____
Name: Garry R. Lubi
Title: Senior Vice President and
Commercial Lender

EXHIBIT D

FORM OF REQUISITION

City of Alachua, Florida
Capital Improvement Revenue Note, Series 2019

REQUISITION FOR PAYMENT

| | |
|----------------------------------|----------|
| Amount Requested: | \$ _____ |
| Aggregate Amount of Prior Draws: | \$ _____ |
| TOTAL: | \$ _____ |

1. Unless otherwise noted, all capitalized terms herein shall have the meanings assigned to them in the Resolution No. 19-03 adopted by the City Commission of the City of Alachua, Florida (the "City") on January 14, 2019, as may be amended and supplemented from time to time (the "Resolution").

2. The City hereby certifies that proceeds from this Requisition have been or will be used to pay for the costs of the Project and/or the costs of issuance of the Note.

This _____ day of _____, 20____.

By: _____
Name:
Title: Finance Director

APPROVED BY:

CenterState Bank, N.A.,
As Owner of Note

By: _____
Authorized Representative

**CERTIFICATE AS TO PUBLIC MEETINGS
AND NO CONFLICT OF INTEREST**

STATE OF FLORIDA
COUNTY OF ALACHUA

Each of the undersigned members of the City Commission (the "City Commission") of the City of Alachua, Florida (the "Issuer"), recognizing that the purchaser of the City of Alachua, Florida Capital Improvement Revenue Note, Series 2019 (the "Note"), will have made the loan to the Issuer, as evidenced by the Note in reliance upon this Certificate, DOES HEREBY CERTIFY that:

(1) he or she has no personal knowledge that any two or more members of the City Commission, meeting together, reached any prior conclusion as to whether the actions taken by the City Commission, with respect to said Note, the security therefor and the application of the proceeds thereof, should or should not be taken by the City Commission or should or should not be recommended as an action to be taken or not to be taken by the City Commission, except at public meetings of the City Commission held after due notice to the public was given in the ordinary manner required by law and custom of the City Commission; and

(2) he or she does not have or hold any employment or contractual relationship with CenterState Bank, N.A. which is making the loan to the Issuer as evidenced by the Note.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures as of the 14th day of January, 2019.

CITY OF ALACHUA, FLORIDA


Gib Coerper, Mayor


Gary Hardacre, Vice Mayor


Shirley Green Brown


Robert W. Wilford


Dayna Miller