

ORDINANCE NO. 16-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLE ISLE, FLORIDA, AUTHORIZING THE NEGOTIATION OF A LOAN IN AN AGGREGATED AMOUNT NOT TO EXCEED \$1,170,000 FROM THE FLORIDA MUNICIPAL LOAN COUNCIL TO REFUND A PRIOR LOAN, AS DESCRIBED HEREIN; APPROVING THE FORM OF AND THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE FLORIDA MUNICIPAL LOAN COUNCIL; APPROVING THE FORM OF AND THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT; APPROVING THE FORM OF AND THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH THE MAKING OF SUCH LOAN; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, participating governmental units (the "Members") have created the Florida Municipal Loan Council (the "Council") pursuant to a certain Interlocal Agreement and pursuant to Chapter 163, Part I, Florida Statutes, for the purpose of issuing its bonds to make loans to participating governmental units for qualified projects; and

WHEREAS, the City of Belle Isle, Florida (the "Borrower"), a municipal corporation, is duly created and existing pursuant to the Constitution and laws of the State of Florida (the "State"); and

WHEREAS, the Borrower finds and declares that there is a substantial need for the refinancing of all or a portion of a loan previously undertaken from the Council by the Borrower, dated as of January 9, 2007 (the "Refunded Loan"), and secured by that certain Loan Agreement, by and between the Borrower and the Council, dated as of December 1, 2006 (the "Refunded Loan Agreement"), in order to take advantage of lower interest rates and realize debt service savings; and

WHEREAS, the Borrower has determined that refinancing the Refunded Loan through a pooled financing program involving a limited number of local governmental units through the Council, which regularly undertake projects requiring significant debt financing within the State, would provide for low cost refinancing of such Refunded Loan through economies of scale, administrative support, and access to experience and knowledge in accessing the capital markets; and

WHEREAS, it is anticipated that the benefits of a pooled financing by the Borrower and a limited number of governmental units through the Council may be obtained through a promise to repay loans under the program and supported by (1) a general covenant to budget

and appropriate legally available non-ad valorem revenues, or (2) a specific revenue pledge of certain taxes or revenues; and

WHEREAS, by pooling the respective financial needs of these certain various local governmental units, the Borrower will be able to access additional markets and expects to receive the benefits of lower interest rates on more favorable terms associated with such a large scale financing with such benefits being obtained for and inuring to the Borrower; and

WHEREAS, the Council is in the process of issuing its Florida Municipal Loan Council Refunding and Improvement Revenue Bonds, Series 2016, or such other designation as may be determined by the Council (the "Bonds"), and is seeking to make loans to governmental units in order to finance or refinance qualified projects; and

WHEREAS, the Borrower hereby determines that a need exists to borrow funds to finance the cost of refinancing the Refunded Loan; and

WHEREAS, the Borrower hereby determines that it would be economically beneficial and in the best interest of the Borrower and the citizens thereof to participate in the Council's financing with other local governmental units and to borrow funds from the Council from the proceeds of the Bonds to refinance the Refunded Loan (the "Loan").

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF BELLE ISLE, FLORIDA, THAT:

SECTION 1. AUTHORITY. This Ordinance is enacted pursuant to Chapter 166, Florida Statutes, the Charter of the Borrower, and other applicable provisions of law.

SECTION 2. AUTHORIZATION OF THE REFINANCING. The refinancing of the Refunded Loan is hereby authorized.

SECTION 3. NEGOTIATED LOAN. Due to the complicated nature of the financings, the ability of the Council to access additional markets, and for the Borrower to receive the benefits of lower interest rates and issuance costs, it is hereby determined that it is in the best interest of the Borrower that the Loan to the Borrower be made from the proceeds of the Bonds, as opposed to the Borrower borrowing funds pursuant to a public sale in order to accomplish the refinancing of the Refunded Loan.

SECTION 4. LOAN AMOUNT. The amount of the Loan to the Borrower evidenced by a Loan Agreement secured by a covenant to budget and appropriate legally available non-ad valorem revenues shall not exceed \$1,170,000. The Loan shall be made as a tax-exempt borrowing, which shall include, but is not limited to, a pro-rata portion of costs of issuance incurred by the Borrower, the Council, the Florida League of Cities, Inc., administrative fees, and other ongoing costs, and shall bear interest and shall be repayable according to the terms

and conditions set forth in the Loan Agreement authorized pursuant to Section 5 hereof with such changes, amendments, modifications, deletions, and additions as may be approved by the Mayor. The redemption provisions, if any, relating to such Loan shall be as provided in the Loan Agreement.

SECTION 5. APPROVAL AND DELIVERY OF LOAN AGREEMENT. The Mayor, as attested by the City Clerk, and approved as to form and correctness by the City Attorney, or in each case their duly authorized designee, are hereby authorized and directed to execute and deliver a Loan Agreement to evidence the Loan (the "Loan Agreement") and to undertake all actions in respect to the Loan Agreement, which is in substantially the form attached hereto as Exhibit A with such changes, amendments, modifications, deletions, and additions as may be approved by the Mayor or his/her duly authorized designee, the execution thereof being conclusive evidence of such approval.

SECTION 6. APPROVAL AND DELIVERY OF CONTINUING DISCLOSURE AGREEMENT. The Mayor, City Manager, or any other appropriate officers of the Borrower are authorized and directed to execute and deliver a Continuing Disclosure Agreement concerning compliance with the rules of the Securities and Exchange Commission concerning continuing disclosure by the Borrower, to be entered into by and between the Borrower and the Florida League of Cities, Inc., in substantially the form attached as Exhibit B with such changes, amendments, modifications, deletions, and additions as may be approved by the Mayor, City Manager, or any other appropriate officer executing such agreement, the execution thereof being conclusive evidence of such approval.

SECTION 7. RATES AND BOND PURCHASE CONTRACT.

(A) The Mayor or his/her duly authorized designee, is authorized to approve the final rates of interest on the Bonds, the redemption provisions thereof, if any, and any other terms of the Bonds on behalf of the Borrower.

(B) The form of the Bond Purchase Contract, to be entered into by and between the Wells Fargo Bank, National Association (the "Underwriter"), the Borrower, the other local governmental units participating in the financing, and the Council in substantially the form attached hereto as Exhibit C with such changes, amendments, modifications, deletions, and additions as may be approved by the Mayor, or his/her duly authorized designee, the execution thereof being conclusive evidence of such approval is hereby approved.

SECTION 8. INDENTURE. The Borrower hereby acknowledges and consents to the Bonds being issued by the Council pursuant to a Trust Indenture, and any supplemental indentures thereto (the "Indenture"), to be executed by the Council and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

SECTION 9. PRELIMINARY AND FINAL OFFICIAL STATEMENT. The preparation and distribution of a preliminary and final official statement (collectively, the "Official Statement") in connection with the offering and sale of the Bonds is hereby authorized. The sections of the Official Statement relating to the Borrower shall be approved by the Mayor or his/her duly authorized designee.

SECTION 10. OTHER INSTRUMENTS. The Mayor, the City Attorney, the City Clerk, the City Manager, the City Finance Director, or any other appropriate officers, attorneys, and other agents or employees of the Borrower are authorized and directed to perform all acts and things required by this Ordinance, the Loan Agreement, the Continuing Disclosure Agreement, the Bond Purchase Contract, the Indenture, or the Official Statement, or otherwise desirable or consistent with the requirements thereof and hereof, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in this Ordinance, the Loan Agreement, the Continuing Disclosure Agreement, the Bond Purchase Contract, the Indenture, or the Official Statement (including but not limited to, the execution of all tax documents relating to the tax exempt status of the Loan), and they are hereby authorized to execute and deliver all documents that shall be required by bond counsel, disclosure counsel, the Council, the Underwriter, or the Trustee. All actions taken to date by the officers of the Borrower in furtherance of the issuance of the Bonds and the making of the Loan are hereby approved, confirmed, and ratified.

SECTION 11. ADDITIONAL INFORMATION. The Loan Agreement shall not be executed and delivered unless and until the Borrower has received all information required by Section 218.385, Florida Statutes.

SECTION 12. REPEAL OF ORDINANCES IN CONFLICT. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 13. SEVERABILITY CLAUSE. If any phrase, clause, sentence, paragraph, or section of this Ordinance is for any reason held invalid or unconstitutional by the judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of the remaining phrases, clauses, sentences, paragraphs, or sections of this Ordinance.

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SECTION 14. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its enactment.

FIRST READING this the ____ day of _____, 2016.

SECOND READING AND ADOPTION this the ____ day of _____, 2016.

(SEAL)

ATTEST:

CITY OF BELLE ISLE, FLORIDA

Yolanda Quiceno, City Clerk

Lydia Pisano, Mayor

Frank Kruppenbacher, City Attorney

EXHIBIT A

FORM OF LOAN AGREEMENT

EXHIBIT B

FORM OF CONTINUING DISCLOSURE AGREEMENT

EXHIBIT C

FORM OF BOND PURCHASE CONTRACT