

RESOLUTION NO. 20-11

A RESOLUTION OF THE CITY OF BELLE ISLE, FLORIDA, SUPPLEMENTING ORDINANCE NO. 20-10, ENACTED ON AUGUST 18, 2020, WHICH AUTHORIZED THE BORROWING OF MONEY; AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$2,600,000 CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2020, FOR THE PURPOSE OF FINANCING THE ACQUISITION OF ONE OR MORE PARCELS OF LAND AND THE IMPROVEMENTS LOCATED THEREON AND/OR THE CONSTRUCTION, ACQUISITION, AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS OF THE ISSUER, EACH AS MORE FULLY DESCRIBED HEREIN; AUTHORIZING THE NEGOTIATED SALE OF SUCH NOTE TO CENTERSTATE BANK, N.A., PURSUANT TO THE TERMS AND CONDITIONS OF A LOAN AGREEMENT BY AND AMONG THE FLORIDA MUNICIPAL LOAN COUNCIL, THE CITY OF BELLE ISLE, FLORIDA, AND CENTERSTATE BANK, N.A.; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT; DESIGNATING THE NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATION;" MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH NOTE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, participating governmental units 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 "Issuer") is a municipal corporation duly created and existing pursuant to the Constitution and laws of the State of Florida (the "State"); and

WHEREAS, on August 18, 2020, the Issuer duly enacted Ordinance No. 20-10 (the "Ordinance") authorizing the borrowing of money to finance (i) the acquisition of one or more parcels of land and the improvements located thereon to be used for a municipal purpose, including, but not limited to, use as a police station or a charter school, and/or (ii) the construction, acquisition, and equipping of certain capital improvements of the Issuer, including, but not limited to, stormwater improvements (collectively, the "Project"); and

WHEREAS, the Issuer is authorized pursuant to the provisions of the Constitution of the State, Chapter 166, Florida Statutes, the Charter of the Issuer, the Ordinance, and other applicable provisions of law, each as amended, to borrow funds to finance the costs of the Project (the "Loan"); and

WHEREAS, it is determined that it is necessary and desirable and in the best interest of the inhabitants of the Issuer to finance the Project, and that the Project serves a public purpose;

WHEREAS, it is determined that it is necessary and desirable and in the best interest of the Issuer to issue its not to exceed \$2,600,000 City of Belle Isle, Florida Capital Improvement Revenue Note, Series 2020 (the "Note") pursuant to a Loan Agreement, by and among the Issuer, the Council, and CenterState Bank, N.A. (the "Lender"), in substantially the form attached hereto as Exhibit A (the "Loan Agreement"), to finance the costs of the Project and pay the transaction costs associated with the issuance of the Note; and

WHEREAS, debt service on the Note and any other amounts due under the Loan Agreement will be secured by a covenant to budget and appropriate legally available non-ad valorem revenues of the Issuer (the "Non-Ad Valorem Revenues"), as further described in the Ordinance, this Resolution, and in the Loan Agreement; and

WHEREAS, the Non-Ad Valorem Revenues are estimated to be sufficient to pay all principal of and interest on the Note, as the same becomes due, and to make all other deposits or payments required by the Ordinance, this Resolution, and the Loan Agreement; and

WHEREAS, the Issuer received proposals from a number of financial institutions in response to the Issuer's request for proposals, dated July 31, 2020; and

WHEREAS, it is determined that it is necessary and desirable and in the best interest of the Issuer to authorize the Mayor, or his or her duly authorized designee, to accept the offer from the Lender to extend credit to the Issuer by obtaining a loan evidenced by the Note upon the terms and conditions set forth in the Ordinance, this Resolution, the Loan Agreement, and in the term sheet, dated August 21, 2020, submitted by the Lender with respect to the Note, a copy of which is attached hereto as Exhibit B (the "Loan Commitment"); and

WHEREAS, due to the present volatility of the market for tax-exempt obligations such as the Note and the complexity of the transactions relating to the Note, including the duration of the Note and the relatively small size of the principal amount of the Note, it is in the best interest of the Issuer that the Note be issued on a negotiated basis to the Lender; and

WHEREAS, the Issuer will be provided all applicable disclosure information by the Lender as required by Section 218.385, Florida Statutes; and

WHEREAS, the Note shall not constitute a general obligation, or a pledge of the faith, credit, or taxing power of the Issuer, the State, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State, nor any political subdivision thereof, nor the Issuer shall be obligated to (i) exercise its ad valorem taxing power in any form on any real or personal property of or in the Issuer to pay the principal of and interest on the Note, or any other amounts due under the Loan Agreement, or (ii) to pay the

same from any other funds of the Issuer except from the Non-Ad Valorem Revenues budgeted and appropriated and deposited to the debt service fund established in the Loan Agreement, all in the manner provided in this Resolution and the Loan Agreement. The Note shall not constitute a lien on any property owned or situated within the limits of the Issuer.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLE ISLE, FLORIDA, as follows:

SECTION 1. ADOPTION OF REPRESENTATIONS. The foregoing Whereas paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

SECTION 2. AUTHORITY. This Resolution is adopted pursuant to the Constitution of the State, Chapter 166, Florida Statutes, the Charter of the Issuer, the Ordinance, and other applicable provisions of law, each as amended (collectively, the "Act").

SECTION 3. AUTHORIZATION OF THE PROJECT. The Issuer does hereby authorize the Project.

SECTION 4. AUTHORIZATION OF THE LOAN AGREEMENT. To provide for the security of the Note and to express the contract between the parties to the Loan Agreement, the Issuer does hereby authorize and direct the Mayor or Vice Mayor of the Issuer, or their duly authorized designee (the "Mayor"), as attested by the City Clerk of the Issuer, or his or her duly authorized designee (the "City Clerk"), and approved as to form by the City Attorney, or his or her duly authorized designee (the "City Attorney"), if required, to execute and deliver 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, after consultation with the City Attorney, the execution thereof being conclusive evidence of such approval.

SECTION 5. AUTHORIZATION OF THE NOTE. Subject and pursuant to the provisions of this Resolution, the Ordinance, and the terms and provisions of the Loan Agreement, an obligation of the Issuer to be designated as "City of Belle Isle, Florida Capital Improvement Revenue Note, Series 2020" is hereby authorized to be issued, which Note shall evidence amounts outstanding under the Loan Agreement and will be repaid in accordance with the terms of the Loan Agreement. The proceeds of the Note shall be used for the principal purpose of financing all or a portion of the costs of the Project and paying certain costs of issuance incurred with respect to the Loan, which such costs shall include costs of issuance incurred by the Issuer, the Lender, and the Council.

SECTION 6. DESCRIPTION OF THE NOTE.

(A) The Note is to be issued as a single, fully registered note in a principal amount of not to exceed \$2,600,000, shall be dated its date of delivery, and shall mature on October 1, 2040 (the "Maturity Date"). The Note shall bear a fixed interest rate of 2.08% per annum (subject to adjustment as described in the Note), and interest shall be payable on each April 1 and October 1, commencing April 1, 2021, and thereafter until the principal amount of the Note has been paid. Interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each. Principal shall be payable on October 1, commencing on October 1, 2021, and thereafter, through and including, the Maturity Date.

(B) The Note shall be subject to optional prepayment as set forth in the Loan Agreement.

SECTION 7. EXECUTION OF THE NOTE. The Note shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor, and the official seal of the Issuer shall be imprinted thereon, attested, countersigned, and authenticated with the manual or facsimile signature of the City Clerk, and approved as to form and legal sufficiency by the City Attorney, if necessary. In case any one or more of the officers who shall have signed or sealed the Note, or whose facsimile 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, such Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 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. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Note shall be actually sold and delivered.

SECTION 8. FORM OF THE NOTE. The text of the Note shall be in substantially the form set forth on Exhibit C of the Loan Agreement with such changes, amendments, modifications, deletions, and additions as may be approved by the Mayor, upon consultation with the City Attorney, the execution thereof being conclusive evidence of such approval.

SECTION 9. NEGOTIATED SALE OF THE NOTE.

(A) Due to the present volatility of the market for tax-exempt obligations such as the Note and the complexity of the transactions relating to the Note, including the duration of the Note and the relatively small size of the principal amount of the Note, it is in the best interest of the Issuer that the Note be issued on a negotiated basis to the Lender.

(B) Prior to the issuance of the Note, the Issuer shall receive from the Lender a Lender Certificate, substantially in the form attached hereto as Exhibit C and a Disclosure Letter containing the information required by section 218.385, Florida Statutes, substantially in the form attached hereto as Exhibit D.

SECTION 10. PAYMENT OF THE NOTE; LIMITED OBLIGATION.

(A) The principal of and interest on the Note shall be secured by a covenant to budget and appropriate legally available Non-Ad Valorem Revenues in accordance with the Ordinance, this Resolution, and the Loan Agreement.

(B) THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE, AND ALL OTHER AMOUNTS DUE UNDER THE LOAN AGREEMENT, AND HOLDERS SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL OR INTEREST, OR ALL OTHER AMOUNTS DUE UNDER THE LOAN AGREEMENT. THE NOTE AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, AND SHALL BE PAYABLE FROM AND SECURED SOLELY BY THE NON-AD VALOREM REVENUES ACTUALLY BUDGETED, APPROPRIATED, AND DEPOSITED INTO A DEBT SERVICE FUND ESTABLISHED FOR SUCH PURPOSE, ALL IN THE MANNER AND TO THE EXTENT DESCRIBED IN THIS RESOLUTION AND THE LOAN AGREEMENT. THE NOTE SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION.

SECTION 11. OTHER INSTRUMENTS. The Mayor, the City Clerk, the City Manager, the City Finance Director, the City Attorney, and other officers, attorneys, and other agents and employees of the Issuer are hereby authorized to perform all acts and things required of them by the Ordinance, this Resolution and the Loan Agreement or desirable or consistent with the requirements thereof and hereof, for the full, punctual, and complete performance of all of the terms, covenants, and agreements contained in the Note, the Ordinance, this Resolution, and the Loan Agreement, and they are hereby authorized to execute and deliver all documents which shall be required by note counsel, the Financial Advisor, or the Council to effectuate the issuance 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 12. BANK QUALIFIED. The Issuer hereby designates the Note in the amount which is issued hereunder, which shall be an amount not to exceed \$2,600,000 (which together with any previous tax-exempt debt of the Issuer issued in the calendar year 2020 totals less than

\$10,000,000) as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986, as amended. There are no entities which are subordinate to or which issue obligations on behalf of the Issuer. The Issuer hereby covenants and agrees not to take any action or to fail to take any action if such action or failure would cause the Note to no longer be a "qualified tax-exempt obligation."

SECTION 13. 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, though 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 any of the other provisions hereof.

SECTION 14. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage.

DULY PASSED AND ADOPTED by the City Council of the City of Belle Isle, Florida, this 15th day of September, 2020.

ATTEST:

Yolanda Quiceno, City Clerk

Nicholas Fouraker, Mayor

Approved as to form and legality
For the use and reliance of the
City of Belle Isle, Florida, only:

A. Kurt Ardaman, City Attorney

EXHIBIT A

FORM OF LOAN AGREEMENT

EXHIBIT B

THE LOAN COMMITMENT

EXHIBIT C

FORM OF LENDER CERTIFICATE

This is to certify that Truist Bank (the "Lender"), has not required the City of Belle Isle, Florida (the "Issuer") to deliver any offering document and 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 issuance of the \$2,551,281.41 City of Belle Isle, Florida Capital Improvement Revenue Note, Series 2020, dated September 25, 2020 (the "Note"), and no inference should be drawn that the Lender, in the acceptance of the Note, is relying on Bryant Miller Olive, P.A. ("Note Counsel") or Fishback Dominick ("Issuer's Counsel") as to any such matters other than the legal opinions rendered by Note Counsel and Issuer's Counsel, respectively. Any capitalized undefined terms used herein not otherwise defined shall have the meanings set forth in the Loan Agreement, dated as of September 25, 2020, by and among the Florida Municipal Loan Council (the "Council"), the Issuer, and the Lender (the "Loan Agreement").

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

We are aware that investment in the Note involves various risks, that the Note is not a general obligation of the Council or the Issuer and that the payment of the Note is secured solely from the sources described in the Resolution and the Loan Agreement (the "Security"). We have in our possession all material information requested by us concerning the Security, and, as a result thereof, are thoroughly familiar with the nature and risks of the loan of the proceeds of the Note. We have been afforded access to all material information and have had sufficient opportunity to discuss the business of the Issuer and the projects financed with the proceeds of the Note, with its officers, employees, and others, and have been permitted to make an investigation of the Issuer and its operations. We do not require any further information or data concerning the Issuer in order to close on the Note.

We acknowledge that the Council is a "municipal entity" under Section 15B(e)(8) of the Securities Exchange Act of 1934 (15 U.S.C.A.) and that it is not a municipal advisor to the Issuer and is not acting as such in providing services with respect to the issuance of the Note. We further acknowledge that neither the Council nor its financial advisor, Public Resources Advisory Group, are acting as a broker or dealer with respect to the Note nor is the loan being distributed as a security or otherwise marketed by the Council.

We acknowledge that the Resolution and the Loan Agreement are not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and the Note is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida

Statutes, and that neither the Issuer, Council, Note Counsel, nor Issuer's Counsel shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary and understand that the Council is not acting in that capacity, and we are purchasing the Note as an investment for our own account and not with a present view to a resale or other distribution to the public. We understand that the Note may not be transferred in a denomination less than the par amount outstanding at the time of transfer and without the filing of an investor letter from the new purchaser in form and substance similar to this letter.

We are either (a) a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes, or (b) a "qualified institutional buyer" as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an "accredited investor" within the meaning of the Securities Act of 1933, as amended, and Regulation D thereunder.

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.

We understand that the Note is not municipal securities and that no filing will be made with respect to the Note with EMMA, the Municipal Securities Rulemaking Board's continuing disclosure site.

Neither we nor any of our affiliates shall act as a fiduciary for the Issuer or in the capacity of broker, dealer, municipal securities underwriter, or municipal advisor with respect to the issuance of the Note. Neither we nor any of our affiliates has provided, and will not provide, financial, legal, tax, accounting, or other advice to or on behalf of the Issuer with respect to the issuance of the Note. The Issuer has represented to us that it has sought and obtained financial, legal, tax, accounting, and other advice (including as it relates to structure, timing, terms, and similar matters) with respect to the proposed issuance of the Note from its financial, legal, and other advisors (and not us or any of our affiliates) to the extent that the Issuer desired to obtain such advice.

DATED this ____ day of September, 2020.

CENTERSTATE BANK, N.A.

By: _____
Name: Garry Lubi
Title: Senior Vice President

EXHIBIT D

DISCLOSURE LETTER

The undersigned, as lender, proposes to negotiate with the City of Belle Isle, Florida (the "Issuer") for the extension of credit to the Issuer through the private purchase of the Issuer's \$2,551,281.41 City of Belle Isle, Florida Capital Improvement Revenue Note, Series 2020 (the "Note"). Prior to the award of the Note, the following information is hereby furnished to the Issuer:

1. Set forth below 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:

Akerman LLP, Lender's Counsel
\$4,000

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 connection with the Note.

3. The amount of the underwriting spread expected to be realized by the Lender is \$0.00. The Bank will receive an origination fee of \$1,000.

4. The management fee to be charged by the Lender is \$0.00.

5. Truth-in-Bonding Statement:

The Issuer is proposing to issue the Note in the principal amount of \$2,551,281.41 to finance the costs of certain capital improvements as described in Resolution No. 20-__ (the "Resolution") and the Loan Agreement, dated as of September 25, 2020, by and among the Issuer, the Lender, and the Florida Municipal Loan Council (the "Loan Agreement").

Based solely on the calculations provided by Public Resources Advisory Group, the Note is expected to be repaid over a period of approximately 20.08 years. At a forecasted

interest rate of 2.08%, total interest paid over the life of the Note is estimated to be approximately \$594,489.78. The source of repayment or security for the Note is a covenant to budget and appropriate Non-Ad Valorem Revenues (as defined in the Loan Agreement). Issuance of the Note is estimated to result in an annual average of approximately \$157,157.59 of the Non-Ad Valorem Revenues not being available to finance the other services of the Issuer during the life of the Note for approximately 20.08 years. This paragraph is provided pursuant to Section 218.385, Florida Statutes, is for informational purposes only, and shall not affect or control the actual terms and conditions of the Note.

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 September, 2020.

CENTERSTATE BANK, N.A.

By: _____

Name: Garry Lubi

Title: Senior Vice President