

CITY COUNCIL RESOLUTION NO. 2021-054

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA, SUPPLEMENTING CITY COUNCIL RESOLUTION NO. 2019-156; AUTHORIZING THE SUPPLEMENTATION OF THE APPLICATION OF PROCEEDS RECEIVED FROM THE SALE OF THE SERIES 2019 BOND TO BE APPROPRIATED TO THE CITY HALL PORTION OF THE PROJECT; PROVIDING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on December 16, 2019, the City Council of the City of Lake City, Florida (hereinafter the "City"), adopted City Council Resolution 2019-156, attached hereto; and

WHEREAS, City Council Resolution 2019-156, was adopted pursuant to the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes; Chapter 218, Part VI, Florida Statutes; the Charter of the City; and other applicable provision of law; and

WHEREAS, City Council Resolution 2019-156, authorized the issuance of the City's sales tax revenue and refunding bond, series 2019, to finance certain capital improvements, to wit, the "Project" as defined therein; and

WHEREAS, the City Council, through the city administration, has negotiated the terms and conditions of a commercial contract for the purchase of real property as well as personal property (hereinafter collectively the "Property"), with Millennium Bank, as the Seller; and

WHEREAS, the aforementioned sale of the Property would include, but not be limited to, parcels of real property with existing commercial structures suitable for the City's purposes as a portion of City Hall and administrative offices; and

WHEREAS, the purchase price of the aforementioned Property would total approximately \$1,100,000.00; and

WHEREAS, the City Council finds that the procurement of the Property meets the definition of the "Project" in City Council Resolution 2019-156; and

WHEREAS, the City Council finds that the supplementation of City Council Resolution 2019-156, with the provisions found herein is necessary for the continued preservation of the health, welfare, convenience and safety of the City and its citizens, to finance the Project including, but not limited to, the

purchase of the Property, and no provision herein is intended to replace any provision of City Council Resolution 2019-156.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA, AS FOLLOWS:

Section 1. The above recitals are all true and accurate and are incorporated herein and made a part of this resolution. The above recitals are all true and accurate and are incorporated herein and made a part of this resolution.

Section 2. City Council Resolution 2019-156 is hereby supplemented to incorporate the provisions found herein.

Section 3. This resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED at a meeting of the City Council this ____ day of April 2021.

CITY OF LAKE CITY, FLORIDA

By: _____
Stephen M. Witt, Mayor

ATTEST:

APPROVED AS TO FORM AND
LEGALITY:

By: _____
Audrey E. Sikes, City Clerk

By: _____
Frederick L. Koberlein, Jr.,
City Attorney

CITY COUNCIL RESOLUTION NO. 2019-156

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA AUTHORIZING THE ISSUANCE OF ITS SALES TAX REVENUE AND REFUNDING BOND, SERIES 2019 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$9,500,000 TO REFUND CERTAIN INDEBTEDNESS DESCRIBED HEREIN, TO FINANCE CERTAIN CAPITAL IMPROVEMENTS DESCRIBED HEREIN, AND TO PAY ASSOCIATED TRANSACTIONAL COSTS; FIXING CERTAIN TERMS AND DETAILS OF THE SERIES 2019 BOND; AUTHORIZING THE PRIVATE NEGOTIATED SALE OF THE SERIES 2019 BOND TO KEY GOVERNMENT FINANCE, INC., PURSUANT TO THE TERMS AND CONDITIONS DESCRIBED HEREIN; PROVIDING FOR THE LIMITATION OF LIABILITY; AUTHORIZING OTHER REQUIRED AND CONSISTENT ACTIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA:

Section 1: Authority for this Resolution. This Resolution is adopted pursuant to the Constitution of the State of Florida; Chapter 166, Part II, Florida Statutes; Chapter 218, Part VI, Florida Statutes; the Charter of the City of Lake City, Florida; and other applicable provisions of law.

Section 2: Definitions. The following words and phrases shall have the following meanings when used herein:

"Act" means the Constitution of the State of Florida; Chapter 166, Part II, Florida Statutes; Chapter 218, Part VI, Florida Statutes; the Charter of the Issuer, and other applicable provisions of law.

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

"City Attorney" means the City Attorney of the Issuer, or any deputy or assistant City Attorney.

"City Clerk" means the City Clerk of the Issuer, or any deputy or assistant City Clerk.

"City Manager" means the City Manager of the Issuer, or any deputy or assistant City Manager.

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

"Construction Fund" means the Construction Fund established with respect to the Series 2019 Bond pursuant to Section 11 hereof.

"Debt Service Fund" means the Debt Service Fund established with respect to the Series 2019 Bond pursuant to Section 11 hereof.

"Default Rate" means the then applicable interest rate on the Series 2019 Bond plus 3.0%.

"Finance Director" means the Finance Director or any deputy, assistant, acting or interim Finance Director, or such other person as may be duly authorized by the Issuer to act on his or her behalf.

"Financial Advisor" means Gollahon Financial Services, Inc., located in St. Petersburg, Florida and its successors or assigns or such Person appointed by the Issuer.

"Fiscal Year" means a period commencing October 1 and ending September 30.

"Issuer" means the City of Lake City, Florida, a municipal corporation of the State of Florida.

"Mayor" means the Mayor of the Issuer, and such other person as may be duly authorized to act on his or her behalf.

"Original Purchaser" means Key Government Finance, Inc., and its successors and assigns.

"Original Resolution" means Resolution No. 2012-089 adopted by the Issuer on December 17, 2012, as supplemented.

"Owner" means the Person in whose name or names the Series 2019 Bond shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of this Resolution.

"Payment Date" means each June 20th and December 20th, commencing on June 20, 2020.

"Person" means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Revenues" means (1) the Sales Tax Revenues, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder, with the exception of the Rebate Fund.

"Principal Office" means, with respect to the Original Purchaser, the office located at 1000 South McCaslin Boulevard, Superior, Colorado 80027, or such other office as the Original Purchaser may designate to the Issuer in writing.

"Project" means certain capital improvements of the Issuer, specifically the construction, improving and equipping of a new city hall and fire station and any other capital improvements authorized by the Issuer and allowed by law.

"Rebate Amount" means the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-1(b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by regulations under the Code implementing Section 148 thereof.

"Rebate Fund" means the City of Lake City Revenue Bonds Rebate Fund established pursuant to Section 16 hereof.

"Rebate Year" shall mean a one-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year selected by the Issuer as the last day of a Rebate Year. The final Rebate Year with respect to the Series 2019 Bond issued hereunder, however, shall end on the date of final maturity of the Series 2019 Bond.

"Refunded Bonds" means the Issuer's remaining outstanding \$5,006,394 Sales Tax Revenue and Refunding Bond, Series 2012.

"Registrar" means, with respect to the Series 2019 Bond, the Finance Director, or any registrar for the Series 2019 Bond appointed by or pursuant to a supplemental resolution and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to a supplemental resolution.

"Resolution" means this Resolution, pursuant to which the Series 2019 Bond is authorized to be issued.

"Revenue Fund" means the Revenue Fund established with respect to the Series 2019 Bond pursuant to Section 11 hereof.

"*Sales Tax Revenues*" means the proceeds of the local government half-cent sales tax distributed to the Issuer from the Local Government Half-Cent Sales Tax Clearing Trust Fund, as defined and described in Chapter 218, Part VI, Florida Statutes, as amended, and to the extent expressly pledged by supplemental resolution any additional sales tax revenues distributed to the Issuer pursuant to said Part VI or any other provision of law.

"*Series 2019 Bond*" means the Issuer's City of Lake City, Florida Sales Tax Revenue and Refunding Bond, Series 2019, authorized pursuant to Section 4 hereof.

"*State*" means the State of Florida.

Section 3: *Findings.*

(A) For the benefit of its inhabitants, the Issuer finds, determines and declares that it is necessary for the continued preservation of the health, welfare, convenience and safety of the Issuer and its inhabitants to finance the Project and refund the Refunded Bonds. Issuance of the Series 2019 Bond to finance the Project and refund the Refunded Bonds satisfies a paramount public purpose.

(B) Debt service on the Series 2019 Bond will be payable from the Pledged Revenues as provided herein. The Pledged Revenues will be sufficient to pay the principal and interest on the Series 2019 Bond herein authorized, as the same become due, and to make all deposits required by this Resolution.

(C) Debt service on the Series 2019 Bond and all other payments hereunder shall be payable solely from moneys deposited in the manner and to the extent provided herein. The Issuer shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Series 2019 Bond 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 or any regulatory fees. The Series 2019 Bond shall not constitute a lien on any property owned by or situated within the limits of the Issuer, except the Pledged Revenues.

(D) The Issuer has previously issued its Sales Tax Revenue and Refunding Bond, Series 2012, which is being currently refunded with the proceeds of the Series 2019 Bond. The Issuer has not issued any other outstanding obligations secured by the Pledged Revenues.

(E) The Issuer has received an offer from the Original Purchaser to purchase the Series 2019 Bond. The Financial Advisor has recommended that the proposal from the Original Purchaser is the best means by which to achieve these objectives.

(F) In consideration of the purchase and acceptance of the Series 2019 Bond by those who shall be the Owner thereof from time to time, this Resolution shall constitute a contract between the Issuer and the Owner.

(G) Because of the characteristics of the Series 2019 Bond, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Series 2019 Bond, it is in the best interest of the Issuer to accept the offer of the Original Purchaser to purchase the Series 2019 Bond at a private negotiated sale. Prior to the issuance of the Series 2019 Bond, the Issuer shall receive from the Original Purchaser a Purchaser's Certificate, the form of which is attached hereto as Exhibit B and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

Section 4: *Authorization of the Series 2019 Bond, the Project and Refunding.*

(A) Subject and pursuant to the provisions of this Resolution, an obligation of the Issuer to be known as "City of Lake City, Florida, Sales Tax Revenue and Refunding Bond, Series 2019" is hereby authorized to be issued under and secured by this Resolution, in the principal amount of not to exceed \$9,500,000, for the purposes of financing the Project, refunding the Refunded Bonds and paying the transaction costs associated with the Series 2019 Bond.

(B) The Project and the refunding of the Refunded Bonds are hereby authorized.

Section 5: *Description of Series 2019 Bond.* The Series 2019 Bond 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 Series 2019 Bond shall have a fixed interest rate equal to 2.472% (subject to adjustment upon the occurrence of certain events as provided herein and in the Series 2019 Bond) calculated on a 30/360-day basis.

(B) Principal and Interest Payment Dates. Principal and interest on the Series 2019 Bond shall be paid semi-annually on each Payment Date in the amounts set forth in the Series 2019 Bond with a final maturity date of December 20, 2034.

(C) Prepayment of the Series 2019 Bond. The Series 2019 Bond shall be subject to prepayment at any time at the option of the Issuer in whole at a price of 100% of the principal amount thereof to be prepaid, plus accrued interest to the date fixed for prepayment. Notwithstanding the foregoing, the Series 2019 Bond may be prepaid in part, up to \$500,000, at any time from proceeds of the Series 2019 Bond.

(D) Form of the Series 2019 Bond. The Series 2019 Bond 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.

(E) Original Denomination. The Series 2019 Bond shall originally be issued in a single denomination equal to the original principal amount authorized hereunder.

(F) Reserve Requirement. There shall be no reserve account required to be established for the Series 2019 Bond.

Section 6: Execution and Authentication of the Series 2019 Bond.

(A) The Series 2019 Bond shall be executed with the manual or facsimile signature of the Mayor and the official seal of the Issuer and shall be attested with the manual or facsimile signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2019 Bond or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Series 2019 Bond so signed and sealed have been actually sold and delivered, such Series 2019 Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2019 Bond had not ceased to hold such office. The Series 2019 Bond may be signed and sealed by such person who at the actual time of the execution of the Series 2019 Bond shall hold the proper office of the Issuer, although, at the date of the Series 2019 Bond, 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 Series 2019 Bond shall be actually sold and delivered.

(B) The Series 2019 Bond secured hereunder or entitled to the benefit hereof shall not be valid or obligatory for any purpose unless there shall be manually endorsed on such Series 2019 Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Series 2019 Bond shall be conclusive evidence that such Series 2019 Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Exhibit A hereof.

Section 7: Prepayment of the Refunded Bonds. Subject only to the issuance of the Series 2019 Bond in an amount sufficient to accomplish the prepayment of the Refunded Bonds and the purchase of the Series 2019 Bond by the Original Purchaser, the Refunded Bonds are hereby called for prepayment at a price of par on December 20, 2019, or such other date selected by the City Manager and acceptable to the Original Purchaser. In addition to a portion of the proceeds of the Series 2019 Bond, the amounts on deposit in the funds and accounts held under the

Original Resolution, for the benefit of the Refunded Bonds shall be used to prepay the Refunded Bonds.

Section 8: *Registration and Exchange of the Series 2019 Bond; Persons Treated as Owners.* The Series 2019 Bond is initially registered to the Original Purchaser. So long as the Series 2019 Bond shall remain unpaid, the Issuer will keep books for the registration and transfer of the Series 2019 Bond. The Series 2019 Bond shall be transferable only upon such registration books. Such transfer shall be in whole for the outstanding par amount and must be to an "accredited investor" within the meaning of the Securities Act of 1933, as amended, and Regulation D thereunder.

The Person in whose name the Series 2019 Bond shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of principal and interest on such Series 2019 Bond 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 Series 2019 Bond to the extent of the sum or sums so paid.

Section 9: *Series 2019 Bond Mutilated, Destroyed, Stolen or Lost.* In case a Series 2019 Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Series 2019 Bond of like tenor as the Series 2019 Bond so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Series 2019 Bond, or in lieu of and in substitution for the Series 2019 Bond 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 Series 2019 Bond so surrendered shall be canceled.

Section 10: *Payment of Principal and Interest; Limited Obligation.* The Issuer promises that it will promptly pay the principal of, premium, if any, and interest on the Series 2019 Bond at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Series 2019 Bond is secured by a pledge of and lien upon the Pledged Revenues in the manner and to the extent described herein. The Series 2019 Bond 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 holder of the Series 2019 Bond 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 Series 2019 Bond, or be entitled to payment of such Series 2019 Bond from any funds of the Issuer, except from the Pledged Revenues as described herein.

Section 11: *Funds and Accounts.*

(A) The Issuer hereby covenants and agrees to establish separate funds in a bank or trust company in the State, which is eligible under the laws of such State to receive funds of the Issuer, to be known as the "City of Lake City, Florida Sales Tax Revenue Bonds Revenue Fund" and the "City of Lake City, Florida Sales Tax Revenue Bonds Debt Service Fund." The Issuer shall maintain in the Debt Service Fund two accounts: the "Interest Account" and the "Principal Account."

(B) The Issuer hereby covenants and agrees to establish a separate fund in a bank or trust company in the State, which is eligible under the laws of such State to receive funds of the Issuer, to be known as the "City of Lake City, Florida Sales Tax Revenue Bonds, Construction Fund," which shall be used only for payment of the cost of the Project.

(C) Moneys in the aforementioned funds and accounts shall be held in trust and, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Owner and for the further security of the Owner.

(D) The Issuer shall at any time and from time to time appoint one or more qualified depositories to hold, for the benefit of the Owner, any one or more of the funds and accounts 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 each of such funds and accounts 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 agents and employees.

Section 12: *Flow of Funds.*

(A) Unless otherwise set forth in a supplemental resolution, beginning on the date the Series 2019 Bond is issued, only to the extent a sufficient amount is not already on deposit in the Revenue Fund from other legally available revenue sources of the Issuer in amounts sufficient to satisfy all payment obligations hereunder, the Issuer shall deposit the Sales Tax Revenues into the Revenue Fund promptly upon receipt thereof. The moneys in the Revenue Fund shall be deposited or credited on or before the 28th day of each month, commencing with the month in which delivery of the Series 2019 Bond shall be made to the purchaser or purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

(1) Interest Account. The Issuer shall deposit into or credit to the Interest Account the sum which, together with the balance in said account, shall equal the interest on the Series 2019 Bond accrued and unpaid and to accrue to the end of the then current calendar month. Moneys in the Interest Account shall be used to pay interest on the Series 2019 Bond as and

when the same shall become due, whether by redemption or otherwise, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Payment Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Series 2019 Bond coming due on such Payment Date.

(2) Principal Account. Next, the Issuer shall deposit into or credit to the Principal Account the sum which, together with the balance in said account, shall equal the principal amounts on the Series 2019 Bond due and unpaid and that portion of the principal next due within one year which would have accrued on said Series 2019 Bond during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve equivalent calendar months of thirty days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be used to pay the principal of the Series 2019 Bond as and when the same shall become due, and for no other purpose. The Issuer shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on the Series 2019 Bond becoming due on such Payment Date.

(3) Balance. The balance of any moneys after the deposits required by subsection (A)(1) and (A)(2) hereof may be transferred, at the discretion of the Issuer, to any other appropriate fund or account of the Issuer and may be used for any lawful purpose.

Section 13: Application of the Proceeds. Except as otherwise provided by supplemental resolution, the proceeds, received from the sale of the Series 2019 Bond, together with certain amounts held for the benefit of the Refunded Bonds, shall be applied by the Issuer simultaneously with the delivery of such Series 2019 Bond to the Original Purchaser thereof, as follows:

(A) A sufficient amount of the Series 2019 Bond proceeds shall be applied to the payment of costs and expenses, including legal, accounting, and financial advisory fees and expenses, and other fees and expenses relating to the issuance of the Series 2019 Bond which must be paid upon delivery of the Series 2019 Bond.

(B) A sufficient amount of the Series 2019 Bond proceeds and money from the funds and accounts held in connection with the Refunded Bonds that will be sufficient to pay the principal of, interest and any premium due on the Refunded Bonds as they are called for prepayment, shall be applied to pay the outstanding principal, premium and interest on the Refunded Bonds.

(C) All remaining moneys shall be deposited into the Construction Fund and used for the purpose of paying for the Project.

Section 14: Sales Tax Revenues; Additional Debt. The Issuer hereby pledges the Sales Tax Revenues to the payment of amounts due on the Series 2019 Bond.

For so long as the Series 2019 Bond shall be unpaid, except with the written consent of the Owner of the Series 2019 Bond, the Issuer will not issue any other obligations or incur any indebtedness payable on a priority lien basis from the Sales Tax Revenues.

Pursuant to supplemental resolution, the Issuer may incur debt which is secured by Sales Tax Revenues on a parity basis for any lawful purpose if the amount of Sales Tax Revenues received by the Issuer during any twelve consecutive months of the eighteen months immediately preceding the date of issuance of such parity debt is equal to at least 125% of the maximum annual debt service during the current or any future fiscal year on the Series 2019 Bond and the proposed parity debt.

The Issuer may issue any other obligations or incur any indebtedness payable on a junior and subordinated lien basis from the Sales Tax Revenues, without limitation; provided, however, that such pledge shall be expressed to be subordinated in all respects to the pledge of the Sales Tax Revenues created by this Resolution.

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.

Section 15: *Award of Series 2019 Bond.* The Series 2019 Bond is hereby sold and awarded to Key Government Finance, Inc., at the price of par and the Mayor and the City Clerk are hereby authorized to execute and deliver the Series 2019 Bond in the form set forth herein, receive the purchase price therefor and apply the proceeds thereof as provided herein, without further authority from this body. The Mayor and the City Clerk are authorized to make any and all changes on the form of the Series 2019 Bond which shall be necessary to conform the same to the commitment of Key Government Finance, Inc., attached hereto as Exhibit D. Execution of the Series 2019 Bond by the Mayor and the City Clerk shall be conclusive evidence of their approval of the form of the Series 2019 Bond.

Section 16: *Tax Covenant.*

(A) The Issuer covenants to the Owner of the Series 2019 Bond provided for in this Resolution that the Issuer will not make any use of the proceeds of the Series 2019 Bond at any time which would cause such Series 2019 Bond 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 Series 2019 Bond from the gross income of the holders thereof for purposes of federal income taxation.

(B) There is hereby created and established a fund to be known as the "City of Lake City Sales Tax Revenue Bonds Rebate Fund" (the "Rebate Fund"). The Issuer shall deposit into the Rebate Fund, from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the Rebate Amount for such Rebate Year. The Issuer shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required herein. In complying with the foregoing, the Issuer may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Fund after payment in full of the Series 2019 Bond issued hereunder and after payment in full of the Rebate Amount to the United States in accordance with the terms hereof, such amounts shall be available to the Issuer for any lawful purpose.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Owner and the moneys therein shall be available for use only as herein provided.

Section 17: *Additional Covenants.* The Issuer shall provide the Owner of the Series 2019 Bond its Comprehensive Annual Financial Report (including audited financial statements and a statistical section, if any) for each Fiscal Year of the Issuer not later than two hundred seventy (270) days after the close of such Fiscal Year. The financial statements shall be prepared

in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards issued by the Comptroller General of the United States, and audited by an independent certified public accountant acceptable to the Owner.

Section 18: *Amendment.* This Resolution shall not be modified or amended in any respect subsequent to the issuance of the Series 2019 Bond except with the prior written consent of the Owner of the Series 2019 Bond.

Section 19: *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 Series 2019 Bond are 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 20: *Impairment of Contract.* The Issuer covenants with the Owner of the Series 2019 Bond that it will not, without the prior written consent of the Owner of the Series 2019 Bond, enact any ordinance, adopt any resolution or execute any agreement which repeals, impairs or amends in any manner adverse to the Owner the rights granted to the Owner of the Series 2019 Bond hereunder.

Section 21: *Events of Default; Remedies of Owners of the Series 2019 Bond.* The following shall constitute Events of Default: (i) if the Issuer fails to pay any payment of principal of or interest on the Series 2019 Bond as the same becomes due and payable; (ii) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Resolution or the Series 2019 Bond (other than set forth in (i) above) and fails to cure the same within thirty (30) days; 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 60 days undismissed or undischarged.

Upon the occurrence of an Event of Default under Section 21(i) above, interest on the past due payment shall begin to accrue at the Default Rate and if such Event of Default has not been cured within ninety (90) days of such Event of Default, interest on the entire outstanding principal amount of the Series 2019 Bond shall accrue at the Default Rate until such Event of Default has been cured.

Upon the occurrence and during the continuation of any Event of Default, the Owners of the Series 2019 Bond may, in addition to any other remedies set forth in this Resolution or the

Series 2019 Bond, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, 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.

Section 22: Severability. If any one or more of the covenants, agreements or provisions of this Resolution should 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 separate from the remaining covenants, agreements or provisions of this Resolution or of the Series 2019 Bond issued thereunder.

Section 23: Business Days. In any case where the due date of interest on or principal of a Series 2019 Bond 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 24: Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 25: 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 26: 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 27: City Council Members Exempt from Personal Liability. 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 Council nor any Person executing the Series 2019 Bond shall be liable personally on the Series 2019 Bond or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the Series 2019 Bond or this Resolution.

Section 28: Authorizations. The members of the City Council of the Issuer, the Mayor, 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 Series 2019 Bond and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the Original Purchaser to effectuate the sale of the Series 2019 Bond. 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 Series 2019 Bond is hereby approved, confirmed and ratified.

Section 29: *No Third Party Beneficiaries.* Except such other persons as may be expressly described in this Resolution or in the Series 2019 Bond, nothing in this Resolution or in the Series 2019 Bond, expressed or implied, is intended or shall be construed to confer upon any person, other than the Issuer and the holder of the Series 2019 Bond, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, or any provision thereof, or of the Series 2019 Bond, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the persons who shall from time to time be the holder of the Series 2019 Bond.

Section 30: *Repealer.* All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 31. *Consent or Waiver.* No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Resolution or the Series 2019 Bond shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.

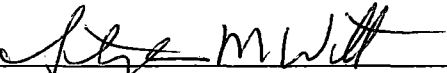
[Remainder of page intentionally left blank]

Section 32: Effective Date. This Resolution shall be in full force and take effect immediately upon its passage and adoption.

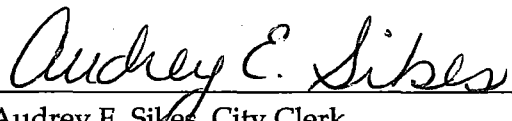
PASSED, APPROVED AND ADOPTED this 16th day of December, 2019.

(SEAL)

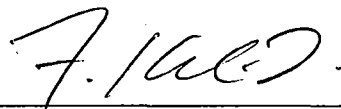
CITY OF LAKE CITY, FLORIDA

By: 
Stephen M. Witt, Mayor

ATTEST:

By: 
Audrey E. Sikes, City Clerk

Approved as to Form and Legality

By: 
Fred Koberlein, Jr., City Attorney