

RESOLUTION NO. 21-R-192

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MARION COUNTY, FLORIDA, SUPPLEMENTING RESOLUTION 93-R-292 OF THE COUNTY, AS PREVIOUSLY SUPPLEMENTED AND AMENDED; AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED \$14,000,000 PRINCIPAL AMOUNT UTILITIES SYSTEM REVENUE BOND, SERIES 2021B FOR THE PRIMARY PURPOSES OF ACQUIRING CERTAIN WATER AND WASTEWATER UTILITY SYSTEM FACILITIES OWNED BY MARION UTILITIES, INC. LOCATED IN MARION COUNTY, FLORIDA AND CONSTRUCTION OF VARIOUS CAPITAL IMPROVEMENTS TO THE UTILITY SYSTEM; PROVIDING CERTAIN TERMS AND DETAILS OF SAID BOND, INCLUDING AUTHORIZING A NEGOTIATED SALE OF SAID BOND TO CITIZENS FIRST BANK; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID BOND; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; DELEGATING CERTAIN AUTHORITY TO THE CHAIRMAN, CLERK AND OTHER OFFICERS OF THE COUNTY; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS IN CONNECTION WITH ISSUANCE OF THE BOND; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MARION COUNTY, FLORIDA:

SECTION 1. FINDINGS. It is hereby found and determined that:

(A) On November 30, 1993, the Board of County Commissioners of Marion County, Florida (the "Issuer") duly adopted Resolution No. 93-R-292 (the "Original Bond Resolution"). Resolution No. 93-R-292 has been supplemented and amended by Resolution No. 93-R-293 adopted on November 30, 1993, Resolution No. 01-R-151 adopted on June 5, 2001, Resolution No. 02-R-274 adopted on September 17, 2002, Resolution No. 03-R-187 adopted on July 15, 2003, Resolution No. 10-R-88 adopted on March 2, 2010, Resolution No. 11-R-194 adopted on August 2, 2011, Resolution No. 12-

R-143 adopted on June 5, 2012, Resolution No. 16-R-262 adopted on August 16, 2016 and Resolution No. 21-R-191 adopted on May 4, 2021. Resolution No. 93-R-292, as supplemented and amended prior to the date hereof, is referred to herein as the "Bond Resolution."

(B) The Bond Resolution authorized, among other things, the issuance of the Issuer's Utilities System Revenue Bonds, Series 2001, the Issuer's Utilities System Revenue Refunding Bonds, Series 2002, the Issuer's Utilities System Revenue Bonds, Series 2003A, the Issuer's Utilities System Revenue Bond, Series 2010, the Issuer's Utilities System Revenue Refunding Bond, Series 2011, the Issuer's Utilities System Revenue Refunding Bonds, Series 2012, the Issuer's Utilities System Revenue Refunding Bond, Series 2016 (the "Series 2016 Bond") and the Issuer's Taxable Utilities System Revenue Refunding Bond, Series 2021A (the "Series 2021A Bond").

(C) The Issuer deems it to be in the best interests of its citizens and taxpayers to issue its Utilities System Revenue Bond, Series 2021B (the "Series 2021B Bond"), as an Additional Bond under the Bond Resolution for the purposes of: (i) acquiring certain water and wastewater utility system facilities pursuant to the Acquisition Agreement (as defined herein) and to acquire, construct and equip various capital improvements to the Issuer's water and wastewater utility system, all as more particularly described in EXHIBIT A attached hereto (the "Series 2021B Project"); and (ii) paying certain costs associated with issuance of the Series 2021B Bond.

(D) On behalf of the Issuer, the Issuer's financial advisor, PFM Financial Advisors LLC, distributed a request for proposals dated March 15, 2021, to various financial institutions soliciting proposals to provide a term loan to the Issuer to finance the Series 2021B Project and pay expenses related to the term loan, which request for proposal is attached hereto as EXHIBIT B.

(E) Citizens First Bank (the "Purchaser") submitted a proposal on April 7, 2021, to provide the Issuer with a term loan (the "Proposal") to finance the Series 2021B Project, which Proposal is attached hereto as EXHIBIT C.

(F) The principal of and interest on the Series 2021B Bond and all other payments shall be limited obligations of the Issuer, payable solely from the Pledged Funds on a parity with the Issuer's Outstanding Series 2016 Bond and Series 2021A Bond, as provided in the Bond Resolution. The Series 2021B Bond shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, nor the Issuer shall be obligated (1) to 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 the Series 2021B Bond, the interest thereon, or other costs incidental thereto, or (2) to pay the same

from any other funds of the Issuer except from the Pledged Funds, in the manner provided in the Bond Resolution.

(G) Due to the present volatility of the market for tax-exempt obligations such as the Series 2021B Bond, it is in the best interest of the Issuer to sell the Series 2021B Bond by a negotiated sale to the Purchaser, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2021B Bond. The Issuer acknowledges that receipt of the information required by Section 218.385, Florida Statutes, in connection with the negotiated sale of the Series 2021B Bond, is a precondition to the execution of the Series 2021B Bond. A copy of the disclosure statement provided by the Purchaser containing the aforementioned information shall be provided to the Issuer under separate cover prior to execution of the Series 2021B Bond.

(H) The Bond Resolution provides that an Additional Bond, such as the Series 2021B Bond, shall mature on such date and in such amount, shall bear such rate of interest, shall be payable in such places and shall be subject to such redemption provisions as shall be determined by Supplemental Resolution, adopted by the Issuer; and it is now appropriate that the Issuer set forth the parameters and mechanisms to determine such terms and details.

SECTION 2. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION. This Supplemental Resolution is adopted pursuant to the provisions of the Act, the Bond Resolution and other applicable provisions of law.

SECTION 3. DEFINITIONS. When used in this Supplemental Resolution, the terms defined in the Bond Resolution shall have the meanings stated therein, except as such definitions shall be herein amended and defined.

"Acquisition Agreement" shall mean the Agreement for Purchase and Sale By and Between Marion Utilities, Inc. and the Issuer, as amended and supplemented.

"Business Day" shall mean any day other than (a) a Saturday or Sunday, or (b) a legal holiday on which the Issuer or the Purchaser is authorized or required to be closed.

"Default Rate" shall have the meaning set forth in Section 9(B) hereof.

"Determination of Taxability" shall mean a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of any Bond is or was includable in the gross income of the Purchaser for Federal income tax purposes as a consequence of any action or inaction by the Issuer; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Issuer has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest

the same, either directly or in the name of any Purchaser, and until the conclusion of any appellate review, if sought. A Determination of Taxability does not include and is not triggered by a change in law by Congress that causes the interest to be includable under the Purchaser's gross income.

"Final Maturity Date" shall have the meaning ascribed to it in Section 6 hereof.

"Fiscal Year" shall mean the period beginning October 1 of any calendar year and ending September 30 of the following calendar year, or such other consecutive 12 month period prescribed by Florida law.

"Funding Instruction Letter" shall have the meaning ascribed to it in Section 10 hereof.

"Interest Date" shall have the meaning ascribed to it in Section 6 hereof.

"Interest Rate" shall mean a fixed rate of interest equal to 1.82% per annum. Upon a Determination of Taxability, the "Interest Rate" shall mean the Taxable Rate. Notwithstanding the foregoing, however, after, and during the continuance of, an Event of Default, "Interest Rate" shall mean the Default Rate.

"Late Fee" shall mean the fee described in Section 13 hereof.

"Purchaser" shall mean Citizens First Bank, and its successors and assigns.

"Series 2021B Project Subaccount" shall mean the subaccount for the Series 2021B Bond established within the Project Account pursuant to the Bond Resolution and Section 10 hereof.

"Series 2021B Reserve Subaccount" shall mean the subaccount for the Series 2021B Bond established within the Reserve Subaccount of the Debt Service Account pursuant to the Bond Resolution and Section 7 hereof.

"Taxable Period" shall mean the period commencing upon the date of the Determination of Taxability and ending on the date the Series 2021B Bond begins to bear interest at the Taxable Rate.

"Taxable Rate" shall mean, upon a Determination of Taxability, an interest rate of 2.30% per annum.

SECTION 4. AUTHORIZATION OF SERIES 2021B PROJECT. The Issuer hereby authorizes the acquisition, construction and equipping of the Series 2021B Project and the financing thereof with proceeds of the sale of the Series 2021B Bond to the Purchaser.

SECTION 5. ACCEPTANCE OF PROPOSAL. The Issuer hereby accepts the Proposal of the Purchaser to provide the Issuer with a term loan in an amount not to exceed \$14,000,000. All terms and provisions of the Proposal are hereby approved. To the extent the terms of the Proposal conflict with the provisions provided herein or in the Bond Resolution, the provisions contained herein and in the Bond Resolution shall prevail.

SECTION 6. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2021B BOND. (A) Pursuant to Section 2.01 of the Bond Resolution, the Issuer hereby authorizes the issuance of a Bond in the principal amount not to exceed \$14,000,000 to be known as the "Marion County, Florida Utilities System Revenue Bond, Series 2021B" (or such other series designation as the Chairman may determine), for the principal purpose of acquiring, constructing and equipping of the Series 2021B Project and paying for all or a portion of the costs related to issuance of the Series 2021B Bond. The Series 2021B Bond shall be dated as of the date of its delivery (or such other date as shall be determined by the Chairman) and shall be issued in the form of a fully registered Bond without coupons in a denomination not to exceed \$14,000,000. Notwithstanding Section 2.09 of the Bond Resolution, the Series 2021B Bond shall be substantially in the form attached as EXHIBIT D hereto. No CUSIP numbers shall be requested by the Issuer for the Series 2021B Bond upon issuance and thereafter shall only be requested by the Issuer with the prior written consent of the Purchaser.

For purposes of the Bond Resolution, "Bond Year," with respect to the Series 2021B Bond shall mean the period beginning on December 2 of each year and ending on the following December 1.

(B) The Series 2021B Bond shall bear interest from its date of issuance at the Interest Rate unless otherwise adjusted pursuant to Section 9 hereof, based on a 360-day year consisting of twelve 30-day months. The Series 2021B Bond shall be a Term Bond and shall mature on December 1, 2040 (the "Final Maturity Date"). Interest shall be payable semi-annually commencing on December 1, 2021 and on the first day of June and December thereafter (each an "Interest Date") or the first Business Day thereafter, if such date is not a Business Day. The principal amount of the Series 2021B Bond shall be paid annually commencing December 1, 2021, in accordance with the Amortization Installment schedule attached to the Series 2021B Bond.

SECTION 7. SECURITY; SERIES 2021B RESERVE SUBACCOUNT. (A) The Series 2021B Bond shall be secured equally and ratably by a pledge of the Pledged Funds with all Bonds which may be Outstanding from time to time as provided in Section 4.02 of the Bond Resolution. Further, pursuant to Section 4.02 of the Bond Resolution, the Series 2021B Bond shall be secured by a separate subaccount established below.

(B) There is hereby established for the Series 2021B Bond a "Series 2021B Reserve Subaccount" in the Reserve Subaccount of the Debt Service Account of the Utilities System Enterprise Fund. The Reserve Subaccount Requirement for the Series 2021B Bond shall be an amount equal to \$0.

SECTION 8. OPTIONAL REDEMPTION. (A) The Series 2021B Bond may be redeemed by the Issuer in whole, or in part, at any time prior to the Final Maturity Date at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the redemption date, upon notice as provided herein (final dates will be based on actual issuance date of Series 2021B Bond).

<u>Redemption Period</u> <u>(Dates Inclusive)</u>	<u>Redemption Price</u>
May __, 2021 through May __, 2023	104%
May __, 2023 through May __, 2025	103
May __, 2025 through May __, 2027	102
May __, 2027 through May __, 2028	101
May __, 2028 and thereafter	100

(B) Notwithstanding Article III of the Bond Resolution, any optional redemption as described in this Section 8 shall be made on such date as shall be specified by the Issuer in a written notice provided to the Purchaser not less than five (5) days prior thereto by first class mail.

(C) In the event of any partial redemption of the Series 2021B Bond, the scheduled payments of principal due on the Series 2021B Bond after the date of such redemption shall be readjusted so as to provide, as nearly as practicable, for the repayment of the remaining principal of the Series 2021B Bond, and interest thereon, in equal amounts of principal and interest in each calendar year thereafter; provided, however, with the consent of the Purchaser, such schedule of payments of principal due may be adjusted other than as described above.

SECTION 9. ADJUSTMENTS TO INTEREST RATE. (A) In the event of a Determination of Taxability, the Interest Rate shall be immediately increased (effective retroactively to the date of the Determination of Taxability) to the Taxable Rate. In such an event, the Issuer shall pay to the Purchaser the sum of (i) an amount equal to the difference between the (a) the amount of interest paid on the Series 2021B Bond during the Taxable Period, and (b) the amount of interest that would have been paid on the Series 2021B Bond during the Taxable Period had the Series 2021B Bond borne interest at the Taxable Rate, plus (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Internal Revenue Code of 1986, as amended) owed by the Purchaser as a result of the Determination of Taxability.

(B) From and after the Final Maturity Date or from and after the occurrence of an Event of Default, irrespective of any declaration of maturity, all amounts remaining unpaid or thereafter accruing on the Series 2021B Bond shall bear interest at a default rate (the "Default Rate") equal to the lesser of (1) eighteen percent (18%) and (2) the maximum rate allowed by law at such time. Such Default Rate of interest shall be payable upon demand, but in no event later than when scheduled interest payments are due, and shall also be charged on the amounts owed by the Issuer to the Purchaser pursuant to any judgments entered in favor of the Purchaser.

(C) Any adjustments made to the Interest Rate on the Series 2021B Bond pursuant to the terms of this Section 9 shall not exceed the maximum interest rate permitted under Florida law.

SECTION 10. APPLICATION OF SERIES 2021B BOND PROCEEDS.

The proceeds derived from the sale of the Series 2021B Bond, shall be applied by the Issuer simultaneously with the delivery thereof as follows:

(A) To the extent not paid or reimbursed to the Issuer, proceeds shall be used to pay all costs and expenses relating to the issuance of the Series 2021B Bond, including certain costs to be disbursed on the date of issuance in accordance with a funding instruction letter from the Issuer addressed to the Purchaser (the "Funding Instruction Letter"), with any remaining monies to be added to the deposit described in subsection (C) below. Such amount may, at the option of the Issuer, be deposited or credited to and disbursed from a separate subaccount established with the Project Account hereinafter referred to as the "Series 2021B Project Subaccount;"

(B) Proceeds of the Series 2021B Bond shall next be transferred for the acquisition of certain water and wastewater utility system assets pursuant to the Acquisition Agreement and in accordance with the Funding Instruction Letter; and

(C) The balance of the Series 2021B Bond proceeds shall be deposited or credited to the Series 2021B Project Subaccount.

SECTION 11. DESIGNATION OF PAYING AGENT AND REGISTRAR. The Issuer hereby designates itself as Registrar and Paying Agent for the Series 2021B Bond. The Series 2021B Bond shall be registered upon the books of the Issuer maintained for such purpose as provided in Sections 2.07 and 2.08 of the Bond Resolution. The Chairman and Clerk are hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 11.

SECTION 12. ADDITIONAL COVENANTS. In addition to the covenants and restrictions provided in the Bond Resolution, so long as the Series 2021B Bond is Outstanding, the Issuer hereby agrees to the following additional covenants and restrictions:

(A) Events of Default. In addition to events that constitute an "Event of Default" under the Bond Resolution, the following events shall each constitute an "Event of Default" with regards to the Series 2021B Bond:

(1) A default on any other agreement in connection with indebtedness to the Purchaser (including any hedge agreements executed with the Purchaser, if any).

(2) Failure of the Issuer to comply with Section 4.02 of the Bond Resolution, relating to the pledge of the Pledged Funds.

(3) Failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Bond Resolution for a period of thirty (30) days after the earlier of (i) the date written notice specifying such failure and requesting that it be remedied, is given to the Issuer by the Purchaser or (ii) the date the Issuer was required to give notice of the event or condition to the Purchaser pursuant to the paragraph below hereof, unless the Purchaser shall agree in writing to an extension of such time prior to its expiration. Notwithstanding the foregoing, the Issuer shall not be deemed to be in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until such default has been corrected; provided, however, that if such default is not cured within 60 days, it shall become an Event of Default.

The Issuer shall within ten (10) Business Days after it acquires knowledge thereof, notify the Purchaser upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default. Regardless of the date of receipt of such notice by the Purchaser, such date shall not in any way modify the date of occurrence of the actual Event of Default and the Purchaser will be entitled to attorney's fees and costs.

(B) Annual Audit. Pursuant to Section 5.06 of the Bond Resolution, the Purchaser hereby requests that the Issuer's Annual Audit be provided to the Purchaser within 270 days after each Fiscal Year end and any other information the Purchaser may reasonably request.

(C) Acceleration. To the extent Article VII of the Bond Resolution is amended to permit acceleration as a remedy, the Purchaser shall be deemed to have the same rights to such remedy as other Holders of Bonds under the Bond Resolution.

SECTION 13. ADDITIONAL REMEDIES. If any amount due on the Series 2021B Bond is not paid by the thirtieth (30th) day following the scheduled June 1 or December 1 payment date, the Issuer shall be obligated to pay the Purchaser a late fee equal to five percent (5)% of the past due amount (the "Late Fee"). Such Late Fee shall

be immediately due and payable and, to the extent allowed under applicable law, shall bear interest at the interest rate of the Series 2021B Bond until paid.

SECTION 14. GENERAL AUTHORITY. The members of the Governing Body of the Issuer and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Supplemental Resolution and the Bond Resolution, or desirable or consistent with the requirements hereof or the Bond Resolution, for the full, punctual and complete performance of all the terms, covenants and agreements contained herein or in the Series 2021B Bond and the Bond Resolution, and each member, employee, attorney and officer of the Issuer and the Clerk is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 15. 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 or of the Series 2021B Bond.

SECTION 16. RESOLUTION TO CONTINUE IN FORCE. Except as herein expressly provided, the Bond Resolution and all the terms and provisions thereof are and shall remain in full force and effect.

SECTION 17. WAIVER OF JURY TRIAL. The Issuer knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury, with respect to any litigation or legal proceedings based on or arising out of the Bond Resolution or the Series 2021B Bond, including any course of conduct, course of dealings, verbal or written statement or actions or omissions of any party which in any way relates to the Series 2021B Bond or the Bond Resolution.

SECTION 18. APPLICABLE LAW AND VENUE. The Series 2021B Bond shall be governed by applicable federal law and the internal laws of the state of Florida. The Issuer agrees that certain material events and occurrences relating to the Series 2021B Bond bear a reasonable relationship to the laws of Florida and the validity, terms, performance and enforcement of the Series 2021B Bond shall be governed by the internal laws of Florida which are applicable to agreements which are negotiated, executed, delivered and performed solely in Florida. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to the Series 2021B Bond, the Issuer consents to the jurisdiction and venue of any court located in Marion County, Florida or the City of Ocala, Florida.

SECTION 19. EFFECTIVE DATE. This Supplemental Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED, this 4th day of May, 2021.

**BOARD OF COUNTY
COMMISSIONERS OF MARION
COUNTY, FLORIDA**

(SEAL)

Jeff Gold, Chairman

ATTEST:

Gregory C. Harrell, Clerk of the Circuit
Court and Ex-Officio Clerk of the Board of
County Commissioners

EXHIBIT A

SERIES 2021B PROJECT DESCRIPTION

The Series 2021B Project generally includes the acquisition of the water and wastewater utility system facilities owned by Marion Utilities, Inc. and costs of certain capital improvements to the Issuer's water and sewer utility system, including system-wide water meter replacements, wastewater plant improvements and water treatment plant improvements and any capital improvements related to the above-described capital improvements. The Issuer may authorize additional capital projects to be paid from the proceeds of the Series 2021B Bond by Supplemental Resolution of the Issuer.

EXHIBIT B

REQUEST FOR PROPOSALS

MARION COUNTY, FLORIDA - REQUEST FOR PROPOSALS

UTILITIES SYSTEM REVENUE BOND, SERIES 2021A

(Not to Exceed \$14,000,000)

TAXABLE UTILITIES SYSTEM REVENUE REFUNDING BOND, SERIES 2021B

(Not to Exceed \$29,000,000)

RFP DATED: MARCH 15, 2021

Marion County, Florida ("County") is seeking proposals to provide fixed rate term loans at the lowest overall borrowing cost, pursuant to certain conditions as determined by the County. The County's Utilities System Revenue Bond, Series 2021A (the "2021A Bond") will be issued to finance the cost of acquiring the Marion Utilities, Inc. system from a private owner. The County's Taxable Utilities System Revenue Refunding Bond, Series 2021B (the "2021B Bond" and collectively with the 2021A Bond, the "2021 Bonds") will be issued to refund the callable portion of the County's outstanding Utilities System Revenue Refunding Bonds, Series 2012 (the "2012 Bonds" or the "Refunded Bonds"). The 2021 Bonds will be direct loans and the County is not preparing any disclosure document. The County is interested in receiving proposals for one or both of the 2021 Bonds and proposals for the 2021B Bond should be based on any (or all) of the below described structures.

- Taxable advance refunding through final maturity of the Refunded Bonds (December 1, 2033)
- Taxable advance refunding that economically converts to a tax-exempt structure no more than 90 days prior to the call date of the Refunded Bonds (December 1, 2022) through an exchange of the taxable bond for a tax-exempt bond in accordance with federal tax law. Such exchange shall occur at the County's option on a date selected by the County to occur within 90 days of such call date, based on adequate notice to the lender, and shall not be deemed to be a prepayment of the taxable bond. This structure will be implemented through a combination of a taxable advance refunding coupled with a forward delivery and direct purchase agreement that provides for a current refunding of the taxable debt on the exchange date and that is executed at closing locking in the forward tax-exempt interest rate.
- Tax-Exempt forward refunding that closes no sooner than 90 days prior to call date of the Refunded Bonds (December 1, 2022).

The County will determine at its sole discretion whether to move forward with the issuance of the 2021B Bonds and the structure to implement based on the proposals received and their ability to meet the desired debt service savings targets. The County also reserves the right to award the 2021 Bonds to the same or different lenders.

A tentative calendar for the review of responses is as follows:

March 15, 2021	RFP circulated
April 7, 2021	Responses due
April 8/9, 2021	County staff reviews responses and selects lender for approval
April 23, 2021	Agenda Deadline

May 4, 2021
Week of May 17, 2021

Commission Meeting – Approval of 2021 Bonds
Tentative Closing Date (subject to change)

SUBMISSION REQUIREMENTS:

Each proposal shall include the interest rates (based on above described structures), prepayment provisions, fees, financial reporting requirements, default rate, and other terms/conditions. **No later than 1:00 p.m. eastern time on Wednesday, April 7, 2021**, an electronic copy of each proposal must be emailed to **Jennifer Cole** at (jenniferc@marioncountyclerk.org) at the County with a copy to **Jay Glover** (gloverj@pfm.com) and **Aurora Pavlish-Carpenter** (pavlishcarpentera@pfm.com) at PFM Financial Advisors LLC (“PFM”), the County’s financial advisor.

Any inquiries or requests for clarification or additional information shall be emailed to the County’s Financial Advisor: **Jay Glover** (gloverj@pfm.com).

1. Term: The 2021A Bond shall have a stated final maturity of December 1, 2040. While the County prefers a fixed rate to maturity, proposals that include a lender put option will also be considered. The 2021B Bond, and the exchanged tax-exempt bond, if applicable, shall have a stated final maturity of December 1, 2033.
2. Purpose: The 2021A Bond will be issued to finance the cost of acquiring the Marion Utilities, Inc. system from a private owner. The 2021B Bond will be issued to refund the callable portion of the 2012 Bonds. If applicable, the County will pay the costs of issuing the exchanged tax-exempt bond for the taxable bond out of legally available funds.
3. Principal Payments: The principal related to the 2021 Bonds, and the exchanged tax-exempt bond, if applicable, shall be fully amortized over the term of the loans as set forth in Exhibit A “Preliminary Loan Amortization Schedules”.
4. Interest Rate: Interest on the 2021 Bonds, and the exchanged tax-exempt bond, if applicable, shall be calculated based on a 360-day year comprised of twelve 30-day months, payable semiannually on June 1 and December 1, commencing on December 1, 2021.
5. Prepayment Options: Describe any prepayment options available to the County. If a prepayment penalty is required, state the terms of the penalty.
6. Security: The 2021 Bonds, and the exchanged tax-exempt bond, if applicable, and the interest thereon will be payable solely from and secured by a lien upon and pledge of the Pledged Funds, which consist of the Net Revenues and Connection Fees of the System, and until applied in accordance with the provisions of the Resolution, all moneys, including investment thereof, in certain accounts and subaccounts established by the Resolution, as specified therein. The 2021 Bonds will be secured on a parity status with the County’s outstanding Utilities System Revenue Refunding Bonds, Series 2012 not refunded by the 2021B Bond and the Utilities System Revenue Refunding Bond, Series 2016. The Parity Debt Service is included in Exhibit B.

7. No Debt Service Reserve: The 2021 Bonds will not be secured by a deposit to any debt service reserve fund.

8. Credit Ratings: The 2021 Bonds, and the exchanged tax-exempt bond, if applicable, will not possess an underlying credit rating. However, the outstanding parity bonds possess underlying credit ratings of Aa3 (stable outlook) from Moody's Investors Service and AA- (stable outlook) from S&P Global Ratings.

9. Loan Documents: All loan documents, including the forward delivery and direct purchase agreement, shall be prepared by Nabors, Giblin & Nickerson, Bond counsel for the County ("Bond Counsel"), who shall provide the lender and its Counsel with drafts thereof for review and comment at least one week prior to loan closing. PFM will serve in the sole capacity as financial advisor to the County and not as a placement agent for the 2021 Bonds, and the exchanged tax-exempt bond, if applicable.

10. Closing: It is anticipated that closing for the 2021 Bonds shall occur on or around the week of May 17, 2021. Closing of the exchanged tax-exempt bond, if applicable, shall occur at the County's option on a date selected by the County to occur within 90 days of the December 1, 2022 call date of the Refunded Bonds, based on adequate notice to the lender. Closings shall occur at a time and place mutually acceptable to the County and the lender.

11. Costs and Fees: The County shall pay all costs relating to financing, preparing and printing the loan documents, and filing all required financing statements. The County shall also pay the lender's Bank Counsel Fees.

12. Rejection of Proposals/Negotiations: THE COUNTY EXPRESSLY RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS RECEIVED IN CONNECTION WITH THIS REQUEST FOR PROPOSALS AND THEREAFTER TO NEGOTIATE WITH ANY PROPOSER. AS PERMITTED BY LAW, THE COUNTY RESERVES THE RIGHT TO WAIVE ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL. THE BASIS FOR ACCEPTANCE OF ANY PROPOSAL SHALL BE BASED ON THE OVERALL TERMS MOST FAVORABLE TO THE COUNTY AS DETERMINED SOLELY BY THE COUNTY. THE COUNTY ALSO RESERVES THE RIGHT TO NEGOTIATE TERMS AND CONDITIONS WITH ANY PROPOSERS.

13. Required Representations: By submitting a proposal in response to this Request for Proposals, the lender acknowledges the following statement: Lender has a present intent to hold the 2021 Bonds, and the exchanged tax-exempt bond, if applicable, subject to this transaction to maturity or earlier redemption for its loan portfolio, and has no present intention of reselling or otherwise disposing of all or a part of such 2021 Bonds, and the exchanged tax-exempt bond, if applicable. Lender acknowledges that PFM is relying on the foregoing representation and based on this representation PFM determines that this transaction meets the requirements for being a qualifying exception for purposes of MSRB Rule G-34, and PFM is released from the requirement to request a CUSIP assignment on behalf of the County pursuant to MSRB Rule G-34 for the 2021 Bonds, and the exchanged tax-exempt bond, if applicable. The lender will also be required to deliver certain certificates at closing including, but not limited to: (i) that it is a qualified

institutional investor having knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of lending funds to the County, (ii) that it has had access to and has reviewed such information concerning the County as it has deemed necessary, and (iii) that it understands the 2021 Bonds, and the exchanged tax-exempt bond, if applicable, are not general obligations of the County but are payable solely by the revenues described in the resolution.

14. Amendment: The County reserves the right to amend or modify this Request for Proposals via email.

Exhibit A
Preliminary 2021A Bond Amortization Schedule *

<u>Maturity</u>	<u>Amount</u>
12/1/2021	550,000
12/1/2022	550,000
12/1/2023	565,000
12/1/2024	580,000
12/1/2025	595,000
12/1/2026	610,000
12/1/2027	630,000
12/1/2028	645,000
12/1/2029	660,000
12/1/2030	680,000
12/1/2031	695,000
12/1/2032	715,000
12/1/2033	735,000
12/1/2034	750,000
12/1/2035	770,000
12/1/2036	790,000
12/1/2037	810,000
12/1/2038	835,000
12/1/2039	855,000
12/1/2040	875,000

*Final amortization shall be set when the actual interest rate has been determined. Final maturity of the 2021A Bond shall not be later than 12/01/2040.

Preliminary 2021B Bond Amortization Schedule *

Maturity	Amount
12/1/2021	710,000
12/1/2022	1,545,000
12/1/2023	1,690,000
12/1/2024	1,715,000
12/1/2025	1,740,000
12/1/2026	1,775,000
12/1/2027	3,080,000
12/1/2028	3,125,000
12/1/2029	3,175,000
12/1/2030	3,230,000
12/1/2031	3,290,000
12/1/2032	1,720,000
12/1/2033	1,750,000

*Final amortization shall be set when the actual interest rate has been determined. Final maturity of the 2021B Bond shall not be later than 12/01/2033.

Exhibit B
Parity Debt Service

	Series 2012 (1)				Series 2016			
Period Ending	Principal	Interest	Debt Service		Principal	Interest	Debt Service	<u>Aggregate Debt Service</u>
12/1/2021	1,435,000	1,312,650	2,747,650		2,260,000	269,063	2,529,063	5,276,713
12/1/2022	1,500,000	1,240,900	2,740,900		2,290,000	222,733	2,512,733	5,253,633
12/1/2023	1,585,000	1,165,900	2,750,900		2,255,000	175,788	2,430,788	5,181,688
12/1/2024	1,660,000	1,086,650	2,746,650		1,565,000	129,560	1,694,560	4,441,210
12/1/2025	1,710,000	1,036,850	2,746,850		1,595,000	97,478	1,692,478	4,439,328
12/1/2026	1,765,000	985,550	2,750,550		1,575,000	64,780	1,639,780	4,390,330
12/1/2027	3,130,000	897,300	4,027,300		550,000	32,493	582,493	4,609,793
12/1/2028	3,285,000	740,800	4,025,800		560,000	21,218	581,218	4,607,018
12/1/2029	3,415,000	609,400	4,024,400		475,000	9,738	484,738	4,509,138
12/1/2030	3,555,000	472,800	4,027,800					4,027,800
12/1/2031	3,705,000	330,600	4,035,600					4,035,600
12/1/2032	2,235,000	182,400	2,417,400					2,417,400
12/1/2033	2,325,000	93,000	2,418,000					2,418,000
	31,305,000	10,154,800	41,459,800		13,125,000	1,022,848	14,147,848	55,607,648
(1) The Series 2012 Bonds will be refunded by the 2021B Bond								

EXHIBIT C

PROPOSAL OF CITIZENS FIRST BANK

April 7, 2021

Jennifer Cole, Finance Director
Marion County, Florida
601 SE 25th Ave.
Ocala, Florida 34471

Re: The County's Utilities System Revenue Bond, Series 2021A (the "2021A Bond" or "Loan") for an amount of \$14,000,000 (U.S.) from Citizens First Bank as Lender to Marion County, as Borrower.

Dear Ms. Cole:

Citizens First Bank, ("Lender" or "Bank") is pleased to extend to Marion County ("Borrower") a commitment to loan to Borrower the sum of up to \$14,000,000 under the terms and conditions of this letter. If you find these terms and conditions to be acceptable, please have Borrower so indicate by signing and returning a copy of this letter.

The Loan is to be extended only on the following terms and conditions:

I. LOAN TERMS:

- a. AMOUNT: The loan will be in the amount not to exceed \$14,000,000.
- b. INTEREST RATE: 1.82 % fixed rate tax exempt loan.
- c. TERMS: The loan will be paid interest semiannually on June 1 and December 1 of each year beginning December 1, 2021. The principal will be paid annually beginning December 1, 2021 and ending on December 1, 2040, based on the proposed amortization schedule, shown as Exhibit A attached. Interest will be calculated on 30/360 day-count basis.
- d. CLOSING COST: Borrower agrees to pay for Lender's legal counsel in connection with the closing of this transaction which will be \$5,250.00. Bank will be represented by Ed Clement of Lowndes, Drosdick, Doster, and Kantor & Reed.
- e. POINTS: None
- f. PURPOSE: To fund the issuance of the 2021A Bond that will be issued to finance the cost of acquiring the Marion Utilities, Inc system from a private provider.
- g. PREPAYMENT: For any unscheduled principal reduction during the first 7 (seven) years of the loan term, there will be a step-down prepayment penalty based on the

outstanding principal balance and using a 4%, 4%, 3%, 3%, 2%, 2%, 1% basis.

- h. **DEFAULT REMEDIES:** The loan will have a 30 day grace period for payments with a 5% late fee imposed if any payment is not paid within 30 days of its due date. Lender will be entitled to attorney's fees and cost in case of default with a default rate not to exceed the maximum rate allowable by law. This loan is non-callable, except in the case of default.

II. SECURITY

The 2021 Bonds, and the exchanged tax-exempt bond, if applicable, and the interest thereon will be payable solely from and secured by a lien upon and pledge of the Pledged Funds, which consist of the Net Revenues and Connection Fees of the System, and until applied in accordance with the provisions of the Resolution, all moneys, including investment thereof, in certain accounts and subaccounts established by the Resolution, as specified therein. The 2021 Bonds will be secured on a parity status with the County's outstanding Utilities System Revenue Refunding Bonds, Series 2012 not refunded by the 2021B Bond and the Utilities System Revenue Refunding Bond, Series 2016.

III. DOCUMENTATION

Documentation for the obligation will be prepared in a manner typical of similar transactions, including security instruments pledging a lien upon 2021 Pledged Funds. All documentation will be reviewed and approved by Bank counsel prior to consummation.

VI OTHER LOAN CONDITIONS

In addition to the foregoing, the following conditions shall apply to the Loan:

1. If at any time during the life of this transaction it is determined this credit facility does not qualify as a tax-exempt transaction as a result of the actions or inactions of the Borrower, the borrower will be responsible for the tax liability on the transaction. The Tax Equivalent Rate of 2.30% will apply in the event the bonds are deemed taxable. If at any time it is deemed that the documentary stamps are due and payable, Marion County will be liable for payment.
2. **Financial Statements:** In making this Loan commitment, the Bank is relying on the financial condition of the Borrower. To help assure that neither the financial condition of the Borrower nor the income capability of the security adversely changes throughout the life of the loan, Borrower shall have the following obligations throughout the course of the loan:

Marion County
Commitment Letter
April 7, 2021

- (1) Borrower must keep books and records reflecting their financial conditions, including but not limited to, the operation of the security in accordance with generally accepted accounting principals consistently applied. Bank shall have the right, from time to time during normal business hours, to examine such books, records and accounts at the offices of the Borrower or other personal entity maintaining such books, records and accounts and to make such copies of extracts thereof as the Bank shall desire.
 - (2) During the term of the loan, the Borrower must furnish or cause to be furnished to the Bank, 270 days after the end of the fiscal year to provide audited financial statements of the borrower.
- c. Lender will receive legal opinions from Issuer's counsel and Bond Counsel, in a form typically rendered to the Lender in transactions of like nature.
 - d. This commitment must be accepted in writing by Borrower by April 15, 2021 or shall therefore be void. This commitment may be executed in counterparts, each on which shall collectively and separately constitute a single agreement. Once executed, this commitment will supersede any and all previous discussions, understanding, or agreements between the parties and regarding the transaction contemplated herein.
 - e. Closing shall occur on or before June 1, 2021.
 - f. The provisions and requirement of this commitment shall survive closing and shall be enforceable against Borrower after closing, whether or not all terms thereto are contained in Loan Documents.

Once again, we are pleased to have the opportunity to extend this commitment to Marion County Florida and we hope the County will accept our offer by signing and returning the enclosed copy of this letter by the stated expiration date. If you have any questions, please do not hesitate to call me.

Sincerely,



Chris Langley
Senior Vice President
Market Executive

Marion County
Commitment Letter
April 7, 2021

Christopher.Langley@mycitizensfirst.com
352-259-3267
406 E. Silver Springs Blvd.
Ocala, Florida 34471

CC: gloverj@pfm.com
PFM Financial Advisors, LLC

CC: plavishcarpentera@pfm.com
PFM Financial Advisors, LLC

ACCEPTED THIS ____ day of April 2021

Marion County, Florida

BY: _____
Jennifer Cole,
Finance Director, on behalf of
Marion County, Florida

Exhibit A

<u>Maturity</u>	<u>Amount</u>
12/1/2021	550,000
12/1/2022	550,000
12/1/2023	565,000
12/1/2024	580,000
12/1/2025	595,000
12/1/2026	610,000
12/1/2027	630,000
12/1/2028	645,000
12/1/2029	660,000
12/1/2030	680,000
12/1/2031	695,000
12/1/2032	715,000
12/1/2033	735,000
12/1/2034	750,000
12/1/2035	770,000
12/1/2036	790,000
12/1/2037	810,000
12/1/2038	835,000
12/1/2039	855,000
12/1/2040	875,000

**Preliminary 2021A Bond Amortization
Schedule ***

*Final amortization shall be set when the actual interest rate has been determined. Final maturity of the 2021A Bond shall not be later than 12/01/2040.

EXHIBIT D

FORM OF BOND

THE REGISTRATION OF OWNERSHIP OF THIS BOND MAY BE TRANSFERRED ONLY IN WHOLE AND ONLY TO A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN SECTION 517.021(20), FLORIDA STATUTES) AS PROVIDED IN THE RESOLUTION.

No. R-1

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
MARION COUNTY
UTILITIES SYSTEM REVENUE BOND,
SERIES 2021B**

<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Date of Original Issue</u>
1.82%	December 1, 2040	May ____, 2021

KNOW ALL MEN BY THESE PRESENTS that Marion County, Florida, a political subdivision of the State of Florida (the "Issuer"), for value received, hereby promises to pay, in the manner provided herein, to Citizens First Bank, as registered owner, or registered assigns (the "Registered Holder"), the principal sum of

\$ _____

solely from the Pledged Funds (hereinafter defined) and to pay interest on the unpaid balance thereof from the date hereof. Interest shall be payable in arrears on the dates set forth below, at an annual rate equal to 1.82% per annum, computed based on a 360 day year consisting of twelve 30-day months, subject to adjustment pursuant to Section 9 of the hereinafter defined Supplemental Resolution. The principal of this Bond shall be payable on December 1, 2021 and annually thereafter in accordance with the Amortization Installment schedule below on December 1 of each year, through and including December 1, 2040, on which date all unpaid principal and interest due shall be due and payable in full:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
<u>(December 1)</u>		<u>(December 1)</u>	
2021	\$	2031	\$
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	

Interest shall be paid on each June 1 and December 1, commencing December 1, 2021, in an amount equal to the interest accrued and unpaid to such date. The interest rate on this Bond is subject to adjustment as provided for in the Supplemental Resolution defined below. If any amount due hereunder is not paid within thirty (30) days of the applicable due date, the Issuer shall be obligated to pay the Registered Holder a late fee equal to five percent (5%) of the past due amount.

Principal and interest on this Bond are payable in lawful money of the United States of America, without presentment, to the Registered Holder in accordance with written instructions provided by the Registered Holder to the Issuer.

This Bond is issued for the principal purpose of acquiring certain water and wastewater utility system facilities owned by Marion Utilities, Inc. located in Marion County, Florida and financing the costs of various capital improvements to the Issuer's utility systems (as more particularly described in the hereinafter defined Supplemental Resolution), under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, and other applicable provisions of law (the "Act"), and a resolution duly adopted by the Board of County Commissioners (the "Board") of the Issuer, on November 30, 1993, as amended and supplemented (the "Bond Resolution"), and particularly as supplemented by a resolution duly adopted by the Board of the Issuer, on May 4, 2021 (the "Supplemental Resolution" and collectively with the Bond Resolution, the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of the Net Revenues and Connection Fees (as defined in the Resolution) to be derived from the operation of the Issuer's water and sewer system (the "System"), and until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the accounts and subaccounts established by the Resolution, except (A) to the extent moneys therein shall be required to pay the Operating Expenses (as defined in the Resolution) of the System in accordance with the

terms of the Resolution, (B) to the extent moneys in each subaccount of the Reserve Subaccount shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions of the Resolution, and (C) amounts in the Rebate Account (collectively, the "Pledged Funds"). It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of and interest on this Bond and that such Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer to the payment of such principal and interest. This Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any other property of the Issuer, but shall constitute a lien only on, and shall be payable solely from, the Pledged Funds in accordance with the terms of the Resolution.

Neither the members of the Board nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

The transfer of this Bond is registrable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. This Bond is issuable in the form of one fully registered Bond in the denomination of \$14,000,000 (or such lesser amount resulting from a partial redemption of this Bond). The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

This Bond is subject to redemption by the Issuer in whole, or in part, at any time prior to the Final Maturity Date at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the redemption date, upon notice as provided herein.

<u>Redemption Period</u> <u>(Dates Inclusive)</u>	<u>Redemption Price</u>
May __, 2021 through May __, 2023	104%
May __, 2023 through May __, 2025	103
May __, 2025 through May __, 2027	102
May __, 2027 through May __, 2028	101
May __, 2028 and thereafter	100

Any optional redemption shall be made on such date as shall be specified by the Issuer in a written notice provided to the Purchaser not less than five (5) days prior thereto by first class mail. Notwithstanding anything in the Resolution to the contrary, presentment of this Bond shall not be required upon a partial redemption.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Issuer.

Upon compliance with certain conditions set forth in the Resolution, Marion County has specifically reserved the right to transfer the ownership and operation of the System as a whole and all of Marion County's obligations under the Resolution and the Bonds to a separate local unit of special-purpose government created either by the Florida Legislature or the Board of County Commissioners of Marion County for the purpose of owning and operating the System (the "Special District"). Upon the consummation of such transfer, and the effective assumption of all of Marion County's obligations with respect to the Bond, the transferee Special District shall become the "Issuer" for all purposes under the Resolution. Thereafter, the transferee Special District shall be solely responsible for compliance with all of the terms and provisions of the Resolution, including but not limited to the payment of this Bond and the interest thereon, and shall be entitled to exercise all rights under the Resolution, including but not limited to the right to issue future obligations on a parity with this Bond. Acceptance of this Bond by the Registered Holder hereof shall constitute such Holder's consent to Marion County's transfer of the System and the transferee Special District's assumption of Marion County's rights and obligations under the Resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Bond does not violate any constitutional or statutory limitations or provisions.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

[Signature page follows]

IN WITNESS WHEREOF, the Board has issued this Bond and has caused the same to be executed by the manual signature of its Chairman, and by the manual signature of its Clerk and its corporate seal or a facsimile thereof to be affixed or reproduced hereon, all as of the ____ day of May, 2021.

MARION COUNTY, FLORIDA

(SEAL)

Jeff Gold, Chairman

Gregory C. Harrell, Clerk of the Circuit
Court and Ex-Officio Clerk of the Board of
County Commissioners

CERTIFICATE OF AUTHENTICATION

This Bond is the Series 2021B Bond of the Issuer described in the within-mentioned Resolution.

DATE OF AUTHENTICATION: May ____, 2021.

MARION COUNTY, FLORIDA
Registrar

Gregory C. Harrell, Clerk of the Circuit
Court and Ex-Officio Clerk of the Board of
County Commissioners