

A RESOLUTION OF WELLINGTON, FLORIDA'S COUNCIL AUTHORIZING THE VILLAGE TO BORROW \$20,000,000 FOR THE PURPOSE OF FINANCING CAPITAL EXPENDITURES RELATING TO THE WATER AND WASTEWATER SYSTEM SERVING THE VILLAGE; AUTHORIZING THE EXECUTION OF PROMISSORY NOTES AND LOAN AGREEMENTS; AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT WITH ACME IMPROVEMENT DISTRICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Wellington deems it necessary and appropriate to secure funds necessary to pay capital expenditures relating to the water and wastewater system serving the Village (the "Project").

Section 1. Definitions. The following words and phrases shall have the following meanings when used herein:

"Loan Amount 1" means \$10,000,000.00.

"Loan Amount 2" means \$10,000,000.00.

The Village issued a request for letters of interest for the Loans, and received responses from ten potential lenders. The response of the Lender (the "Lender's Response") is attached hereto as Exhibit A. The Village has determined that the response of the Lender affords the terms most favorable to the Village, and because of the characteristics of the transaction it is in the best interest of the Village to obtain the Loans through negotiation with the Lender.

Section 3. Loan Agreements and Promissory Notes. With respect to each Loan, the Village is authorized to execute a Loan Agreement with the Lender and to make and

1 deliver to the Lender a Promissory Note. The forms and terms of the Loan Agreements
2 and Promissory Notes shall be consistent with the terms of the Lender's Response and
3 shall be approved by the Authorized Signatory. The Authorized Signatory is authorized to
4 execute the Loan Agreements and Promissory Notes. The obligations of the Village will
5 be payable solely from lawfully available revenues of the Village, not derived from ad
6 valorem taxation, budgeted and appropriated for such purpose.
7

8 **Section 4. Interlocal Agreement.** The Village is authorized and directed to enter
9 into an Interlocal Agreement with Acme Improvement District in the form attached hereto
10 as Exhibit B. The Interlocal Agreement shall be executed on behalf of the Village by the
11 Authorized Signatory.
12

13 **Section 5. Reimbursement.** The following statement is made for purposes of
14 United States Treasury Regulation Section 1.150-2. The Village has incurred
15 expenditures on the Project. The Village reasonably expects that it will reimburse such
16 expenditures with proceeds of the Loans in the amount of up to \$20,000,000.
17

18 **Section 6. Severability.** If any provision of this Resolution shall be held or deemed
19 to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same
20 shall not affect any other provision herein or render any other provision (or such provision
21 in any other context) invalid, inoperative or unenforceable to any extent whatever.
22

23 **Section 7. Applicable Provisions of Law.** This Resolution shall be governed by and
24 construed in accordance with the laws of the State of Florida.
25

26 **Section 8. Authorizations.** All officials and employees of the Village are authorized
27 and empowered, collectively or individually, to take all action and steps and to execute all
28 instruments, documents, and contracts on behalf of the Village that are necessary or
29 desirable in connection with the completion of the Loan.
30

31 **Section 9.** All resolutions or parts thereof in conflict herewith are hereby repealed.
32

33 **Section 10.** This Resolution shall become effective immediately upon its adoption.
34

35 **PASSED AND ADOPTED** this 11th day of December, 2018.
36

37 **ATTEST:**

WELLINGTON

38
39
40 By: _____
41 Chevelle D. Nubin, Village Clerk
42

By: _____
Anne Gerwig, Mayor
43

44 **APPROVED AS TO FORM**
45 **AND LEGAL SUFFICIENCY**
46

47
48 By: _____
49 Laurie S. Cohen, Village Attorney



CONFIDENTIAL NON-BINDING PROPOSAL LETTER

November 27, 2018

CONFIDENTIAL

Village of Wellington, Florida
12300 Forest Hill Boulevard
Wellington, Florida 33414

Re: One or more loans or facilities described on Annex 1 (whether one or more loans or facilities, collectively "Loan") to Village of Wellington, Florida (whether one or more collectively "Borrower")

Dear Danielle Zembruski:

STI Institutional & Government, Inc. ("Lender") is pleased to consider making the Loan to Borrower based substantially on the proposed summary of terms and conditions [set forth on Annex 1 attached hereto and incorporated herein by this reference (Annex 1, together with this letter and any other supplemental annexes attached hereto and incorporated herein by this reference, this "Letter").

This Letter is provided for discussion purposes as an expression of interest by Lender in the proposed financing, does not contain all required terms and conditions and should not be construed to be a commitment, offer, or agreement by Lender to issue a commitment or provide the proposed financing and, as such, Borrower shall be deemed to place no reliance on this Letter. The proposed financing is subject to standard credit underwriting and approval by Lender, which may not be forthcoming. This Letter is not assignable, not intended to benefit any third party, subject to such other terms and conditions as Lender may require, confidential, and not an offer or recommendation to enter into any "swap" transaction per Section 1a(47) of the Commodity Exchange Act.

Evaluation of the proposed financing would require and remain conditioned on, inter alia, Lender's receipt of all documentation and information Lender may require. After reviewing these items, Lender may determine that other information and/or documentation is needed to underwrite the proposed financing. Any offer or recommendation to enter into any "swap" or trading strategy involving a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act will only occur after Lender has received appropriate information and/or documentation from you regarding whether you are qualified to enter into a swap under applicable law. Pursuant to the requirements of the Patriot Act, Lender and its affiliates are required to obtain, verify and record information that identifies Loan obligors, which information includes the name, address, tax identification number and other information regarding obligors that will allow Lender to identify obligors in accordance with the Patriot Act, and Lender is hereby so authorized. This notice is given in accordance with the requirements of the Patriot Act and is effective for SunTrust and its affiliates.

All costs incurred by Lender in connection with the proposed financing, including but not limited to, Lender's legal fees and expenses, appraisals, searches, reports and other third party costs (collectively "Costs"), shall be paid and/or reimbursed by Borrower, whether or not the proposed financing is approved or closes, and your acknowledgement below authorizes Lender to proceed with same at your expense and in reliance on this understanding. Borrower shall be responsible for all fees and expenses including, without limitation, legal fees and expenses, incurred by Lender in enforcing its rights under this Letter. Borrower's obligation in respect of the costs and expenses referenced in this paragraph is in consideration, inter alia, for Lender's undertaking to underwrite the proposed financing and incur such Costs and shall survive the cancellation or termination of this Letter. If there are multiple parties comprising "Borrower" or "Guarantor", the defined terms shall refer to all such parties collectively, but each such party shall be jointly and severally liable under the Loan.

This Letter constitutes the entire understanding between Lender and Borrower in connection with the proposed Loan as of the date hereof, supersedes any prior written or oral communications or understandings, and may be amended only by a writing signed by Lender. This Letter is unconditionally cancellable by Lender at any time, neither party shall have an express or implied duty to negotiate and either party may terminate negotiations at any time in their sole discretion, and



partial performance or efforts to carry out other acts in contemplation of consummating the proposed Loan shall not, in isolation or in aggregate, be deemed evidence of intent by either party to be bound by the terms of this Letter. Neither Lender nor Borrower shall be deemed to have entered into, signed or executed binding documents evidencing the Loan by virtue of this or any other communication at any time prior to Lender's express acceptance of Loan documents prepared by Lender or its counsel. If Lender and Borrower enter into the proposed Loan, this Letter shall not survive any closing of the proposed Loan, and if there is a conflict between the terms of this Letter and any documents evidencing the Loan, the terms of the documents evidencing the Loan shall be controlling.

This Letter is governed by the laws of the State of Florida. To the extent permitted by applicable law, Borrower and Lender waive trial by jury in connection with any action arising under or related to this Letter and submit to exclusive jurisdiction in the foregoing state of governing law.

Except as expressly set forth herein with regard to confidentiality, choice of law, waiver of jury trial and Borrower's obligation to pay Costs, this Letter is not intended to, and shall not, create a legally binding obligation on the part of Lender or Borrower, and your signature below confirms your understanding of this. Subject to the foregoing sentence, if you would like Lender to begin its underwriting and review process and to seek the appropriate credit approvals (which may not be forthcoming), please so advise by executing and returning a copy of this Letter to the address below (delivery of this Letter by the parties via electronic transmission shall be permissible). This Letter may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument. A signed counterpart of this Letter transmitted via facsimile, pdf or some other electronic means shall be as fully enforceable as the counterpart containing the original signature(s). If you have any questions in connection with this Letter, please contact me.

Yours sincerely,

Dane Sheldon
Senior Vice President, Government Banking
STI Institutional & Government, Inc.

ANNEX 1

SUMMARY OF TERMS AND CONDITIONS

**Municipal Advisor
Rule Disclosure:**

STI Institutional & Government, Inc. (Lender) is an institutional buyer and makes direct purchase loans to Municipal Entities and Obligated Persons as defined under the Municipal Advisor Regulation, and in this term sheet is providing information regarding the terms under which it would make such a purchase for its own account.

- (a) Lender is not recommending an action to Borrower, the Guarantors or the issuer of the debt;
- (b) Lender is not acting as an advisor to Borrower, the Guarantors or the issuer of the debt and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to Borrower, the Guarantors or the issuer of the debt with respect to the information and material contained in this communication;
- (c) Lender is acting for its own interests; and
- (d) Borrower, the Guarantors and the issuer of the debt should discuss any information and material contained in this communication with any and all internal or external advisors and experts that the municipal entity or obligated person deems appropriate before acting on this information or material.

Borrower: Village of Wellington, Florida ("*Borrower*")

Lender: STI Institutional & Government, Inc. ("*Lender*")

Facility: Non-Bank Qualified Loan in the form of a tax-exempt note ("*Loan*")
The Loan will be funded in a single drawdown on the closing date.

Loan Amount: **A.** \$10,000,000 fully amortizing term loan
B. \$10,000,000 fully amortizing term loan

Purpose: **A. and B.:** To finance improvements to water and sewer system owned and operated by the Village of Wellington's dependent special district, Acme Improvement District ("*Acme*"). The Village of Wellington will enter into an Inter-local Agreement with Acme pursuant to which Acme will agree to make payments to the Village equal to the debt service on the loan.

Maturity Date: **A.** December 12, 2033
B. January 4, 2034

Interest Rate: **A.** A fixed rate equal to 3.08% with standard Make Whole prepayment provision (calculated on the basis of a 30 day month and 360 day year) including rate lock until December 12, 2018. This rate also allows for up to 15% of each year's starting principal balance to be prepaid without penalty.

B. A fixed rate equal to 3.09% with standard Make Whole prepayment provision (calculated on the basis of a 30 day month and 360 day year) including rate lock until

January 4, 2019. This rate also allows for up to 15% of each year's starting principal balance to be prepaid without penalty.

Default rate of Prime + 5%

If the Facility is not funded for any reason on or before the expiration of the Rate Lock Period, Lender may, in its sole discretion, offer a new fixed rate and a revised closing date, provided, however, that if the revised interest rate is unacceptable to the Borrower, the Borrower shall not be obligated to proceed with the Facility. Notwithstanding the foregoing, in the event the Facility is not funded for any reason, the Borrower shall be obligated to reimburse any fees and expenses incurred by Lender in connection with the Facility including, without limitation, attorney's fees.

Repayments:

A. Fifteen (15) years straight line amortization with Interest and Principal Installments paid monthly commencing January 12, 2019 and thereafter until the Maturity Date. Interest shall be calculated based upon a 30/360-day year.

B. Fifteen (15) years straight line amortization with Interest and Principal Installments paid monthly commencing February 4, 2019 and thereafter until the Maturity Date. Interest shall be calculated based upon a 30/360-day year.

Prepayment:

Make Whole Provision: Borrower may prepay the Loan in whole or in part on any Business Day upon two Business Days' prior written notice to Lender. Such prepayment notice shall specify the amount of the prepayment which is to be made. In the event of a prepayment of the Loan, Borrower may be required to pay Lender an additional fee (a prepayment charge or premium) determined by Lender's make whole compensation provision in the loan documents, to compensate Lender for all losses, costs and expenses incurred in connection with such prepayment. Any partial prepayment shall be applied as determined by Lender in its sole discretion.

Alternative #2 No Prepayment Penalty: The Lender will allow prepayment after 10 years without any penalty by adding 15 basis points to the above rate.

Alternative #3 No Prepayment Penalty: The Lender will allow prepayment after 5 years without any penalty by adding 70 basis points to the above rate.

Alternative #4 No Prepayment Penalty: The Lender will allow prepayment at any time without any penalty by adding 83 basis points to the above rate.

**Accounts and
Payments by
Auto Debit:**

Borrower agrees to execute an agreement authorizing Lender to debit a deposit account maintained by Borrower with SunTrust Bank for all amounts due under the Loan.

Security:

A. and B.: The loan will be payable pursuant to a covenant to budget and appropriate from legally available non-ad valorem revenues.

**Representations
and Warranties:**

A. and B.: Usual and customary for Lender in transactions of this type.

Affirmative

Covenants:	A. and B.: In addition to the covenants expressly set forth herein, other affirmative covenants usual and customary for Lender in transactions of this type, including without limitation: Borrower shall submit to the Lender annual audited financial statements within 270 days of fiscal year end and an annual budget within 30 days of adoption, together with any other information the Lender may reasonably request, in form satisfactory to Lender, and other additional information, reports or schedules (financial or otherwise), all as Lender may request.
Negative Covenants:	A. and B.: Usual and customary of Lender in transactions of this type.
Events of Default:	A. and B.: Usual and customary for transactions of this type (with customary notice and cure periods), and usual and customary remedies. If acceleration is not a remedy the default rate shall be increased from the stated default rate of Prime + 5%, to the lesser of 18% or the maximum allowed rate by law.
Additional Debt:	A. and B.: The City shall not incur additional debt secured by a lien on all or a portion of the Non-Ad Valorem Revenues or by a covenant to budget and appropriate unless it shall certify that the Non-Ad Valorem Revenues, after provision for essential governmental services is no less than 1.50 times the maximum annual debt service on (i) all debt secured by a covenant to budget and appropriate from Non-Ad Valorem Revenues, (ii) any debt payable from a lien on one or more specific Non-Ad Valorem Revenue sources, and (iii) the proposed debt secured by a covenant to budget and appropriate or a specific lien on one or more Non-Ad Valorem Revenue sources. Such certificate shall be provided by the City Manager.
Taxable Event:	A. and B.: Means the occurrence after the date hereof of 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 a Lender for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Borrower 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 Lender-, and until the conclusion of any appellate review, if sought. A Taxable Event does not include and is not triggered by a change in law by Congress that causes the interest to be includable under Lender's gross income. Upon the occurrence of a Taxable Event the Interest Rate on the Bond shall be adjusted to assure maintenance of the yield.
Opinion of Counsel:	A. and B.: (i) Borrower shall be required to deliver a written opinion from Borrower's Counsel, in form and substance acceptable to the Lender and Lender's Counsel. (ii) Receipt of opinion from Note Counsel in form and substance satisfactory to the Lender, which shall include, without limitation, an opinion that the interest on the Note is excludable from gross income of the owners thereof for Federal income tax purposes.
Legal Fee Quote:	Our proposed Lender's counsel is Holland & Knight. Fees for Lender's counsel will be: (a) \$7,000 if our counsel closes the transaction and reviews documentation prepared by the note counsel or counsel to the Borrower, or

- (b) Borrower agrees to pay the agreed fees for Lender's counsel and all other reasonable fees, charges, expenses and costs in connection with the transaction.
- (c) Payment by borrower of expenses described herein shall not be contingent upon closing and legal fees on account of borrower after documentation has started are payable regardless of whether the transaction closes.
- (d) If the loan has extraordinary negotiations, unexpected issues arise or the loan does not close before the closing date set in the commitment the legal fee will be increased to reflect any extra work performed and Borrower agrees to pay such fee.

Closing Conditions: **A. and B.:** The closing of the Loan shall be conditioned upon satisfaction (or valid waiver) of conditions precedent usual and customary for transactions of this type, including, without limitation, the following conditions (all of the items to be delivered in form and substance satisfactory to Lender): (1) receipt and review of (a) all financial, formation and other information required by Lender on Borrower) and their constituent entities and other entities specified by Lender, including all due diligence materials to verify authority, identity and background information for regulatory purposes under applicable "know your customer" and anti-money laundering laws, as deemed necessary by Lender in its sole and absolute discretion and (b) such other information and due diligence deliveries as are requested by and acceptable to Lender; (2) authorization, execution and delivery of such documentation as is standard and customary for this type of transaction or otherwise deemed necessary or appropriate by Lender, (3) there shall not have occurred, in the opinion of Lender, any material adverse change in the business or financial condition of Borrower or in any other state of facts submitted to Lender in connection with the Loan, from that which existed at the time Lender initially considered the proposed Loan.

The funding of the Loan shall be subject to accuracy of representations and warranties as of the date of such Loan and no event of default or incipient default under the Loan shall have occurred and be continuing as of the date of such Loan or would result from making the Loan.

Expenses and Indemnification: **A. and B.:** Borrower will pay all costs and expenses of Lender in connection with the administration and enforcement of all documentation executed in connection with the Loan [including, without limitation, the fees, charges and disbursements of Lender's counsel (including in-house counsel) subject to the limitations above regarding the loan closing counsel fees.

Governing Law and Jurisdiction: State of FL.

Swap Disclaimer: Nothing herein constitutes an offer or recommendation to enter into any "swap" or trading strategy involving a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act. Any such offer or recommendation, if any, will only occur after we have received appropriate documentation from you regarding whether you are qualified to enter into a swap under applicable law.

This Summary of Terms and Conditions is intended as an outline of certain material terms and conditions applicable to the Loan and does not purport to describe all of the terms and conditions, representations and warranties, covenants and other provisions that could be contained in the definitive loan and collateral documentation relating to the Loan.

Independent Registered Municipal Advisor Certificate

To: the below named client

Cc: the below named independent registered municipal advisor ("**IRMA**")

Each of SunTrust Bank, STI Institutional & Government, Inc., SunTrust Equipment Finance & Leasing Corp. and SunTrust Robinson Humphrey, Inc. (collectively, "**SunTrust**")¹ hereby discloses to the undersigned that, by obtaining the below representation from you, none of the SunTrust entities is a municipal advisor and none of the SunTrust entities is subject to the fiduciary duty established in Section 15B(c) (1) of the Securities Exchange Act of 1934, as amended. In the context of a potential transaction between a SunTrust entity and you, and/or a potential engagement between a SunTrust entity and you, in any discussions, communications, conferences, negotiations and undertakings, (a) each SunTrust entity will act as a principal and not in a fiduciary capacity; (b) no SunTrust entity has assumed an advisory or fiduciary responsibility in favor of you; and (c) no SunTrust entity is acting as your financial advisor. The SunTrust entities have financial and other interests that may differ from yours. Further, each SunTrust entity advises you to consult your own legal, financial and other advisors to the extent you deem appropriate.

IRMA Certification:

The undersigned state or local government or obligated person has retained an independent registered municipal advisor ("**IRMA**"). The undersigned is represented by and will rely on the below listed IRMA to provide advice on proposals from any SunTrust entity concerning the making of loans or the purchase of municipal securities for its own account, and/or proposals concerning municipal financial products. The personnel of the IRMA who will advise the undersigned on such matters have represented to the undersigned that they have not been associated with SunTrust within the two years prior to the date of this certificate.

This certificate may be relied upon until it is withdrawn.

CLIENT LEGAL NAME

By: _____

Name: _____

Date: _____

Title: _____

Name of IRMA: _____

IRMA Email Address: _____

¹ The SunTrust Bank Tax Exempt Loan Program and other direct purchase municipal financings are

¹ The SunTrust Bank Tax Exempt Loan Program and other direct purchase municipal financings are offered by SunTrust Bank or its subsidiary, ST Institutional & Government, Inc. Risk management and derivative products are offered by SunTrust Bank. SunTrust Robinson Humphrey is the trade name for the corporate and investment banking services of SunTrust Banks, Inc. and its subsidiaries, including SunTrust Robinson Humphrey, Inc., member, FINRA and SIPC. Debt and equity underwriting, trading, research and sales, loan syndications, municipal securities trading and sales, and mergers and acquisitions advisory services are offered by SunTrust Robinson Humphrey, Inc.

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INTERLOCAL AGREEMENT

This Interlocal Agreement (this "Agreement") is dated December 12, 2018, and is between Acme Improvement District (the "District"), a dependent special district of the State of Florida, and Village of Wellington, Florida (the "Village"), a municipality of the State of Florida.

Whereas the District owns a water supply, treatment and distribution system and a waste water treatment, collection and disposal system (hereinafter referred to as the "System"); and

Whereas, the District is a dependent special district of the Village.

Now, therefore, the District and the Village agree as follows:

Section 1. The Village may from time to time incur indebtedness ("Village System Debt"), the proceeds of which will be used to pay expenses of the System. The District will pay to the Village such amounts on such dates as are equal to the payments required to be made by the Village in repayment of the Village System Debt.

Section 2. This Agreement is governed by the laws of the State of Florida.

Section 3. This Agreement may be terminated by either party if no Village System Debt is outstanding and unpaid, but otherwise may be amended or terminated only in writing signed by the parties hereto.

ACME IMPROVEMENT DISTRICT

VILLAGE OF WELLINGTON, FLORIDA

By: _____
Title: Vice President

By: _____
Title: Mayor