

RESOLUTION NO. 2019-356

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER, FLORIDA AUTHORIZING THE ISSUANCE BY THE CITY OF ITS \$5,000,000 PRINCIPAL AMOUNT HURRICANE RECOVERY REVENUE NOTE, SERIES 2019, TO PROVIDE FUNDS FOR HURRICANE MICHAEL DEBRIS REMOVAL; AUTHORIZING THE AWARD OF THE SALE OF THE NOTE UNDER CERTAIN PROPOSED TERMS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY AND THE PURCHASER OF THE NOTE; PLEDGING NET REVENUES OF THE CITY'S WATER AND SEWER UTILITY SYSTEMS, AND PLEDGING PAYMENTS AND REIMBURSEMENTS RECEIVED FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY, AND COVENANTING TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM REVENUES, ALL TO PAY THE NOTE; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARKER, FLORIDA, AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapter 166, Part II, Florida Statutes, the City Charter and the Code of the City of Parker and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared that:

A. The City of Parker (the "City") desires to obtain financing to provide the City with the necessary funding (the "Loan") to provide for financing and reimbursing the City for portions of the capital cost of removing debris in the City caused by and related to Hurricane Michael including but not limited to removing debris impeding access or repair to the City's water and sewer utility improvements and other public improvements, as established by the Council of the City (the "Work") pending the City receiving reimbursement of those costs from the Federal Emergency Management Agency and to pay certain costs of issuance in incurring the Loan.

B. It is necessary and desirable to provide for the execution and delivery of a Loan Agreement (the "Loan Agreement") and the issuance of a Hurricane Recovery Revenue Note, Series 2019 (the "Series 2019 Note") to implement the Loan. Amounts due under the Loan Agreement and the Series 2019 Note shall be payable initially from the Net Revenues of the City's Utility System (to be defined in the Loan Agreement), subsequently from payments and reimbursements received from the Federal Emergency Management Agency, and if necessary or appropriate from non-ad valorem revenues of the City derived from the City's covenant to budget and appropriate each year, from legally available non-ad valorem funds, such monies to pay the principal of and interest on such obligation.

C. In accordance with the provisions of Part III, Chapter 218, Florida Statutes, a negotiated sale of the Series 2019 Note is in the best interest of the City because of the flexibility available in structuring the Series 2019 Note and its terms.

SECTION 3. AUTHORIZATION AND AWARD OF SERIES 2019 NOTE. The issuance by the City of its \$5,000,000 principal amount Hurricane Recovery Revenue Note, Series 2019, for the purposes described above; to be dated, to bear interest, to be subject to draws of principal, to be payable, to mature, to be subject to prepayment and redemption and to have such other characteristics as are provided in the Commitment Letter of Trustmark National Bank attached hereto as Exhibit "A," and to be secured by the Net Revenues of the City's Utility System (to be defined in the Loan Agreement), by payments and reimbursements received from the Federal Emergency Management Agency, and by a covenant of the City to budget and appropriate from legally available non-ad valorem funds each year monies sufficient to pay the principal and interest on such Series 2019 Note, is hereby authorized. The sale of the Series 2019 Note to Trustmark National Bank is hereby authorized.

SECTION 4. APPROVAL OF LOAN AGREEMENT AND SERIES 2019 NOTE. The City Council of the City does hereby authorize the Mayor and the City Clerk, acting with the advice and recommendation of the employees of and advisors to the City, to prepare a Loan Agreement and the Series 2019 Note and the Loan Agreement and Series 2019 Note shall be in such form as the Mayor of the City, acting with advice and recommendation of the employees of and advisors to the City, shall determine to be necessary or desirable in order to consummate the transactions authorized by this Resolution, the determination of the definitive form of the Loan Agreement and Series 2019 Note by the Mayor of the City to be conclusively established by his execution of the same. Further, the City Council of the City does hereby authorize the Mayor or City Clerk of the City and any person or persons designated and authorized by such officers or the City Council of the City to act in the name and on behalf of the City, or any one or more of them to execute and deliver such instruments and to take such other actions as shall be necessary to implement the Loan.

SECTION 5. AUTHORIZATION FOR REIMBURSEMENT. In the event that the City has expended within sixty (60) days prior to the date hereof, or expends between the date hereof and the date of delivery of the Series 2019 Note, moneys from its general fund or capital fund to pay any portion of the costs of the Work, a portion of the proceeds derived by the City from such obligations, not to exceed \$4,000,000, will be applied to reimburse the City for funds advanced by it for such purpose and from the funds described above.

SECTION 6. DESIGNATION OF SERIES 2019 NOTE; COVENANT AS TO TAX-EXEMPT OBLIGATION. The City intends that the Series 2019 Note be deemed designated as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code. In furtherance of such intent: (a) the City represents that neither the City nor any "subordinate entity" or "on behalf of issuer" of the City, as such terms are used in Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), has issued in 2019, or expects to issue within the remainder of 2019, tax-exempt obligations in an amount in excess of \$10,000,000; and (b) the City hereby designates the Series 2019 Note as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code. In addition, the City acknowledges and agrees that the Series 2019 Note is to be issued in compliance with the conditions necessary for the interest

income thereon to be exempt from federal income taxation pursuant to the relevant provisions of the Code and covenants and agrees that it will not in any way cause or permit the proceeds of the Series 2019 Note to be used in a manner which would cause the interest on the Series 2019 Note to lose the exemption from federal income taxation as provided under the Code and the applicable regulations thereunder and will comply with all applicable provisions of the Code (including, without limitation, the provisions relating to post-issuance actions affecting tax exemption) to the extent necessary for interest on the Series 2019 Note to be excludable from gross income of the holders thereof.

SECTION 7. REPEAL OF INCONSISTENT PROVISIONS. All resolutions or parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

SECTION 8. SEVERABILITY. In the event that any portion or section of this Resolution is determined to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such decision shall in no manner affect the remaining portions or sections of this Resolution, which shall remain in full force and effect.

SECTION 9. EFFECTIVE DATE. This Resolution shall take effect immediately upon its final passage and adoption.

PASSED AND ADOPTED this 19th day of March, 2019.

CITY COUNCIL OF THE CITY OF
PARKER, FLORIDA

(SEAL)

By: Richard P. Musgrave
Richard Musgrave
Mayor

ATTEST

Nancy Rowell
Nancy Rowell
City Clerk

APPROVED AS TO FORM:

Tim Sloan
Tim Sloan, City Attorney

EXHIBIT "A"

**TRUSTMARK NATIONAL BANK'S
COMMITMENT LETTER**

See Attached.



2315 S HWY 77
LYNN HAVEN, FL 32444
(850) 265-2021 BRANCH
(850) 265-4880 FAX
www.trustmark.com

City of Parker, Florida
Attn: Mayor Rich Musgrave
1001 W. Park Street
Parker, FL 32404

Mayor Musgrave:

I am pleased to forward you this commitment letter, which shows the current rates and terms that have been approved for your current credit request.

SUMMARY OF TERMS

BORROWER: City of Parker, Florida

LENDER: Trustmark National Bank (a/k/a) Bank

FACILITY AMOUNT: \$5,000,000

PURPOSE: Revolving Line of Credit to pay cost for debris clean up from Hurricane Michael until FEMA reimburses the City of Parker, Florida.

MATURITY: 24 months

REPAYMENT: Monthly interest payments with principal paid at maturity.

RATE: 3.85% fixed

LOAN FEE: No origination fee

COLLATERAL: Pledge of Utility Revenues of the City of Parker, Florida.

CLOSING COSTS: Borrower shall pay all fees and costs. If certain costs are incurred prior to closing and the borrower withdraws the loan request, these fees are due to the Bank.

**CONDITIONS
PRECEDENT:**

The Bank's obligation to make the above-described loan is subject to the following conditions being satisfied prior to the closing of this transaction: (a) opinion of legal counsel on behalf of the bank reciting the validity, lien position and tax status of the subject obligation, (b) invoices to support line advances, which shall not exceed 100% of actual unpaid invoices, eligible for reimbursement which have been certified by the PA consultant.



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LOAN DOCUMENTS: The Bank shall be furnished with such loan documents, as the Bank shall deem necessary for its protection. The loan documents will include a security agreement, financing statements, promissory note, and other documents which the Bank deems necessary in order to document the loan and to create and perfect the Bank's security interests in the collateral for the loan.

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FINANCIAL INFORMATION:

The loan documents and this letter require the Borrower to furnish the Bank various collateral and financial information including, but not limited to, annual audited financial statements within 9 months after fiscal year end.

RIGHT TO INSPECT:

The Bank reserves the right to inspect and verify its collateral at any reasonable time at its sole discretion.

NON-ASSIGNABILITY:

Any loan approved by Trustmark Bank would be non-assignable by the Borrower and no party other than the Borrower is entitled to rely upon information conveyed by the bank.

CONSEQUENTIAL DAMAGES:

In no event would either the Borrower or the Bank be liable to the other for indirect, special, or consequential damages, including loss of anticipated profits which may arise in connection with the issuance of an agreement to lend.

TERMINATION:

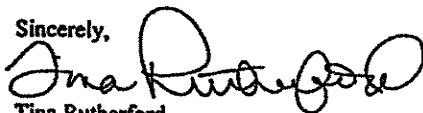
Bank may terminate a commitment to lend prior to the closing of the transactions contemplated hereby by notice in writing to your company in the event that:

- (a) Borrower refuses to comply in a timely manner with any terms, provisions, or conditions that would be specified in a decision to lend.
- (b) Bank determines that a material adverse change has occurred in the financial condition of the Borrower
- (c) Any data, information, or representations made by the Borrower shall contain any misrepresentation or inaccuracy;
- (d) Any default by the Borrower under any obligation to Bank or any third party shall occur or exist.

Upon giving of notice of termination by Bank, the obligations and liabilities of the Bank would cease and terminate without further acts and notes shall become due and payable.

Again, thank you for the allowing us the opportunity to assist you with your most recent loan request and we look to working with you throughout the project. Should you have any questions please contact me.

Sincerely,



Tina Rutherford
Vice President
Commercial Relationship Manager II
Trustmark National Bank
(850) 441-5102
trutherford@trustmark.com