

RESOLUTION NO. 2019-24

A RESOLUTION OF THE TOWN OF BELLEAIR, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$4,687,000 CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2019B FOR THE PURPOSES OF FUNDING THE COSTS OF CERTAIN CAPITAL IMPROVEMENT PROJECTS OF THE TOWN AND PAYING THE COSTS OF ISSUANCE THEREOF; PROVIDING FOR THE PAYMENT OF THE BOND WITH A COVENANT TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM FUNDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE TOWN COMMISSION OF BELLEAIR, FLORIDA, as follows:

SECTION 1. AUTHORITY FOR RESOLUTION. This Resolution is adopted pursuant to the Constitution of the State of Florida and Chapter 166, Florida Statutes, the Charter of the Issuer, the Issuer's Ordinance No. 527 enacted on October 15, 2019 and other applicable provisions of law (collectively, the "Act").

SECTION 2. DEFINITIONS. As used herein, unless the context otherwise requires:

"Annual Debt Service" means the aggregate amount of Debt Service on the Bond for each applicable fiscal year.

"Authorized Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a depository, which is authorized under Florida law to be a depository of governmental funds and which has qualified with all applicable state and federal requirements concerning the receipt of Issuer funds.

"Bond" means the Town of Belleair, Florida Capital Improvement Revenue Bond, Series 2019B, authorized to be issued hereunder in the original principal amount of not to exceed \$4,687,000.00.

"Bondholder" or "Holder" means the Registered Owner of the Bond or its duly authorized attorney, trustee or legal representative.

"Chief Financial Officer" means for purposes of Section 218.403, Florida Statutes, or any similar statute, the Town's Finance Director, the ex-officio custodian of the Issuer's funds, or any other officer of the Issuer subsequently designated pursuant to law.

"Code" means the Internal Revenue Code of 1986, as amended.

"Costs of the Project" shall mean all reasonable or necessary costs and expenses relating to the Project that are permitted under the Act and the Code to be paid out of proceeds of the Bond, including financing costs which are permitted under the Act and not included in costs of issuance. Costs shall include reimbursement to the Issuer for any Costs paid by it, whether before or after the adoption of this Resolution, provided, however, that reimbursement for any expenditure made prior to the adoption of this Resolution shall only be permitted for expenditures meeting the requirements of applicable Treasury Regulations, including, but not limited to, Treasury Regulations Section 1.150-2 or any successor Treasury Regulations.

As long as the Issuer is required to comply with the covenants set forth in Section 17 of this Resolution, no item of cost shall be considered a Cost of the Project that is eligible to be paid or reimbursed from the proceeds of the Bond if such payment or reimbursement would result in a violation of the provision of Section 17 of this Resolution. In the event that the Issuer fails to comply with either or both of the two immediately preceding sentences, no Event of Default under this Resolution shall be deemed thereby to have occurred if the Issuer shall promptly take and complete such remedial action as may be appropriate.

"Debt" means at any date (without duplication) all of the following to the extent that they are secured by or payable in whole or in part from any Non-Ad Valorem Funds (A) all obligations of the Issuer for borrowed money or evidenced by bonds, debentures, notes or other similar instruments; (B) all obligations of the Issuer to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (C) all obligations of the Issuer as lessee under capitalized leases; and (D) all indebtedness of other persons to the extent guaranteed by, or secured by, Non-Ad Valorem Funds; provided, however, if with respect to any obligation contemplated in (A), (B), or (C) above, the Issuer has covenanted to budget and appropriate sufficient Non-Ad Valorem Funds to satisfy such obligation but has not secured such obligation with a lien on or pledge of any Non-Ad Valorem Funds, then, and with respect to any obligation contemplated in (D) above, such obligation shall not be considered "Debt" for purposes of this Resolution unless the Issuer has actually used Non-Ad Valorem Revenues to satisfy such obligation during the immediately preceding fiscal year or reasonably expects to use Non-Ad Valorem Funds to satisfy such obligation in the current or immediately succeeding fiscal year. After an obligation is considered "Debt" as a result of the proviso set forth in the immediately preceding sentence, it shall continue to be considered "Debt" until the Issuer has not used any Non-Ad Valorem Funds to satisfy such obligation for two consecutive fiscal years.

"Debt Service" means the aggregate amount in the then applicable period of time of (1) interest required to be paid on the Bond during such period of time, except to the extent that such interest is to be paid from Bond proceeds for such purpose, (2) principal of outstanding serial bonds maturing in such period of time, and (3) amortization installments with respect to outstanding term bonds coming due in such period of time.

"Debt Service Fund" means the account by such name established pursuant to Section 16 of this Resolution.

"Determination of Taxability" means 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 the Bond is or was includable in the gross income of the Registered Owner for Federal income tax purposes due to the actions or inactions of the Issuer; provided however 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 the Registered Owner, and until the conclusion of any appellate review, if sought.

"Governing Body" means the Town Commission of the Issuer.

"Investment Obligations" means, to the extent permitted by law, (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or obligations which in the opinion of the Attorney General of the United States are general obligations backed by the full faith and credit of the United States of America, or (ii) direct obligations of the Federal Intermediate Credit Banks, Federal Land Banks, Federal Farm Credit System, Federal Home Loan Banks or Banks for Cooperatives, or (iii) certificates of deposit or other interest bearing obligations of any bank, savings and loan association or trust company (including any Authorized Depository) authorized to engage in the banking business, either fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or collateralized by obligations described in (i) or (ii) above having a fair market value (determined at least quarterly) equal to the principal amount of such certificates of deposit or other interest bearing obligations, or (iv) repurchase agreements with any Authorized Depository or primary reporting government dealers, in each case having a capital and surplus or net capital of not less than \$75,000,000, secured by collateral of the type and in the amount described in (iii) above, or (v) bonds, notes of obligations of any municipality or political subdivision of any state or any agency or authority thereof, if such obligations are rated by at least one nationally recognized rating service in either of the two highest classifications approved by the Comptroller of the Currency for the investment of funds of national banks, or any insured revenue bonds, notes or obligations of any such entities, or any agency or authority thereof, if such obligations are rated by at least one nationally recognized rating service in the highest such classification, or (vi) any other obligations in which surplus municipal funds may be invested under the laws of the State of Florida, including, without limitation, the Local Government Surplus Funds Trust Fund created and established pursuant to Part IV, Chapter 218, Florida Statutes, as amended.

"Issuer" means the Town of Belleair, Florida.

"Non-Ad Valorem Funds" means all revenues of the Issuer derived from any source other than ad valorem taxes on real or personal property, which are legally available to make the payments required on the Bond, but only after provision has been made by the Issuer for the payment of all essential or legally mandated services.

"Original Purchaser" means Branch Banking and Trust Company, a North Carolina banking corporation.

"Project" means those certain capital improvements undertaken by the Issuer to be funded with proceeds of the Bond.

"Project Fund" means the account by such name established pursuant to Section 14 of this Resolution.

"Redemption Fund" means the account by such name established pursuant to Section 16 of this Resolution.

"Registered Owner" means the registered owner of the Bond.

"Registrar" means the Town Clerk of the Issuer or any other agent designated from time to time by the Issuer, by ordinance or resolution, to maintain the registration books for the Bond issued hereunder, or to perform other duties with respect to registering the transfer of the Bond.

"Resolution" means this Bond Resolution.

"Securities Act" means the Securities Act of 1933, as amended.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities including governments or governmental bodies.

SECTION 3. FINDINGS AND DETERMINATIONS. It is hereby ascertained, determined and declared that:

A. The Issuer has determined that it is in the best interest of the health and welfare of the residents of the Issuer to undertake the Project and has determined to issue the Series 2019B Bond to fund the costs of the Project and to pay costs of issuance, as more particularly described herein.

B. The Governing Body determines that the funding of the Bond is necessary and will serve valid governmental purposes and will uniformly and generally benefit all those persons and groups that can lawfully use the facilities and properties of the Issuer.

C. The Original Purchaser has offered to purchase the Bond from the Issuer on the terms set forth herein and in the Bond.

D. The Issuer is authorized under the Florida Constitution and the Act to issue the Bond, to use the proceeds as herein provided, to provide for the payment of the Bond from a covenant to budget and appropriate the Issuer's legally available Non-Ad Valorem Funds and otherwise to accomplish the purposes and intent of this Resolution.

E. Based on reasonable projections presented to the Governing Body, the legally available Non-Ad Valorem Funds, will be sufficient to pay all installments of principal and interest on the Bond, as the same shall become due.

F. It is in the best interest of the Issuer to accept the offer of the Original Purchaser to purchase the Bond in the original principal amount of not to exceed \$4,687,000.00 at a privately negotiated sale.

G. A negotiated sale of the Bond is required and necessary and is in the best interests of the Issuer for the following reasons: the Bond will be a special and limited obligation of the Issuer, the principal and interest of which is intended to be paid from the Issuer's covenant to budget and appropriate legally available Non-Ad Valorem Funds; the costs of issuance of the Bond are likely to be greater and the time until issuance longer if the Bond is sold at public sale by competitive bids than if the Bond is sold at negotiated sale, and there is no basis, considering prevailing market conditions, for any expectation that the terms and conditions of a sale of the Bond at public sale by competitive bids would be more favorable to the Issuer than at a negotiated sale; bonds having the characteristics of the Bond are typically sold at a negotiated sale under prevailing market conditions, and the Issuer has undertaken substantial negotiations with the Original Purchaser of the Bond.

SECTION 4. THIS INSTRUMENT CONSTITUTES A CONTRACT. Upon and in consideration of the acceptance of the Bond by the Bondholder, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Bondholder.

SECTION 5. ISSUANCE OF BOND. The Bond shall be issued in the original principal amount of not to exceed \$4,687,000.00 as a single bond for the purpose of funding the costs of certain capital improvement projects. The Bond shall be designated the "The Town of Belleair Capital Improvement Revenue Bond, Series 2019B" and shall be dated the date of delivery thereof.

SECTION 6. DESCRIPTION OF BOND.

A. The Bond shall mature on October 1, 2034 and shall bear interest on the outstanding principal amount thereof at a fixed rate of 2.46% per annum calculated on a 30/360 day count basis. The interest rate will be subject to adjustment with respect to any period that (1) it is determined that any portion of the interest on the Bond is includable in the Bondholder's gross federal income for income tax purposes, all as provided in the form of the Bond or (2) it is determined that the Bond is not a qualified tax exempt obligation within the meaning of Section 265(b)(3) of the Code.

B. The Bond is hereby designated as a qualified tax-exempt obligation pursuant to Code Section 265(b)(3)(B)(i).

C. Interest accruing on the Bond on any interest payment date shall be that interest to the extent accrued as of midnight on the last calendar day immediately prior to the interest payment date.

D. Principal and interest on the Bond shall be due and payable as provided in the Bond.

E. If the date for payment of the principal or interest on the Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in Pinellas County, Florida, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the scheduled date of payment.

G. The principal of and interest, on the Bond shall be paid in immediately available funds, to the person in whose name the Bond is registered at the address designated by the Holder to the Issuer in writing, which designation shall be made no later than the close of business on the fifteenth day (whether or not a business day) of the month next preceding an interest payment date (the "Record Date"), irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such payment date. All such payments shall be made or tendered by 12:00 noon on each payment date without presentment, notice or demand.

H. In the event that payment of principal of or interest on the Bond has become due and remains unpaid by more than fifteen (15) days, the Bondholder may charge a late payment fee equal to four percent (4%) of the overdue amount of principal of and/or interest on the Bond, which fee shall be immediately due and payable.

SECTION 7. EXECUTION OF BOND. The Bond shall be signed and executed in the name of the Issuer as set forth in the form of the Bond attached hereto as Exhibit A. The signatures of the Issuer's Town Manager and its Town Clerk, or other officers of the Issuer authorized to sign the Bond shall be manual. The seal of the Issuer shall be impressed, imprinted, reproduced or lithographed on the Bond. The Bond shall be validly executed when signed by the persons who shall respectively hold the appropriate offices at the time of execution and attestation, without regard to who held the office on the date of such Bond or who held that office at the time of its delivery.

SECTION 8. NEGOTIABILITY AND REGISTRATION. The Issuer shall, so long as the Bond is outstanding, retain and maintain itself, or with a successor Registrar, appropriate registration books for the purpose of registering and transferring the registration of the Bond as in this Section contemplated. The Town Manager of the Issuer shall serve as the initial Registrar hereunder.

The Bond shall initially be registered in the name of the Original Purchaser. The Original Purchaser has represented to the Issuer that it is either a qualified institutional buyer as defined in Rule 144A of the Securities Act or an accredited investor as defined in Rule 501 of Regulation D promulgated under Section 4(2) of the Securities Act and that it is purchased the Bond solely for its own account, can bear the economic risk of its investment in the Bond, has such knowledge and experience in financial business matters that it is capable of evaluating the merits and risk of purchasing the Bond, and has made the decision to purchase the Bond based on its own independent investigation regarding the Bond and has received the information it considers necessary to make an informed decision to invest in the Bond. The Bond shall bear a transfer restriction prohibiting the transfer of the Bond to any subsequent Bondholder unless that subsequent Bondholder has executed and delivered a purchaser's certificate acceptable to the Town in the same form as that delivered by Original Purchaser at closing making the same representations as the Original Purchaser made in the purchaser's certificate as described in this paragraph. The Issuer may deem and treat the person in whose name the Bond may be registered as the absolute owner of the Bond for the purpose of receiving payment thereof and for all other purposes whatsoever, and the Issuer shall not be affected by any notice or knowledge to the contrary. The transfer of any Bond may be registered only on the books of the Issuer.

Upon surrender for registration of transfer of the Bond at the office of the Issuer, the Issuer shall execute and deliver to the transferee or transferees a new fully registered Bond for a like principal amount. The execution by the Issuer of any fully registered Bond in an authorized denomination shall constitute full and due authorization of such denomination.

Any Bond presented for registration of transfer, exchange, redemption or payment shall be accompanied (if so required by the Issuer or the Registrar) by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Issuer or the Registrar, duly executed by the registered Holder or his duly authorized attorney or legal representative.

The Issuer may charge the Bondholder a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed (other than by the Issuer) on any exchange or registration of transfer of any Bond. Such charges and expenses shall be paid before any such new Bond shall be delivered.

SECTION 9. PROVISIONS FOR PREPAYMENT. The Bond shall be subject to redemption in whole (but not in part) at the option of the Issuer on any date prior to maturity that is at least five years from the dated date of the Bond, at a price of par, together with interest accrued thereon to the date of such redemption.

Notice of such prepayment shall be given not less than five (5) days prior to the prepayment date, by deposit in the U.S. mails, postage prepaid, to the registered owner of the Bond at its address as it appears on the registration books to be maintained in accordance with the terms hereof.

SECTION 10. BOND MUTILATED, DESTROYED, STOLEN OR LOST. If the Bond is mutilated, destroyed, stolen or lost, the Issuer may, in its discretion (i) deliver a duplicate replacement Bond or (ii) pay the Bond if it has matured or is about to mature. A mutilated Bond shall be surrendered to and cancelled by the Registrar or the Town Clerk of the Issuer. The Bondholder must furnish the Issuer proof of ownership of any destroyed, stolen or lost Bond; post satisfactory indemnity reasonably acceptable to the Issuer; comply with any reasonable conditions the Issuer or the Registrar may prescribe; and pay the Issuer's or the Registrar's reasonable expenses. A destroyed, stolen or lost Bond will be cancelled on the registration books by the Registrar.

Any such duplicate Bond shall constitute an original contractual obligation on the part of the Issuer whether or not the destroyed, stolen, or lost Bond be at any time found by anyone, and such duplicate Bond shall be entitled to the same benefits and rights as to lien on, and source of and security for payment from, the revenues and other funds pledged herein as the mutilated, destroyed, stolen or lost Bond was entitled.

SECTION 11. ISSUANCE OF THE BOND. Prior to, or simultaneously with, delivery of the Bond, there shall be delivered to the Original Purchaser:

- (i) a fully executed Certificate of the Town as to Tax, Arbitrage and Other Matters, dated as of the closing date;
- (ii) a copy of a completed and executed Form 8038-G to be filed with the Internal Revenue Service;
- (iii) a certified or duplicate original copy of all necessary resolutions of the Issuer subject to approval of Original Purchaser's counsel;
- (iv) an opinion of Bond Counsel regarding the exclusion of interest on the Bond from gross income for Federal income tax purposes and a reliance letter from Bond Counsel to the Original Purchaser permitting the Original Purchaser to rely on such opinion;
- (v) an opinion of the counsel to the Issuer, satisfactory to the Original Purchaser and addressing such legal issues as the Original Purchaser or its counsel may reasonably require; and
- (vi) such other instruments and documents as the Original Purchaser or its counsel shall reasonably require.

SECTION 12. WAIVER OF JURY TRIAL. The Issuer hereby authorizes and directs the Town Manager and any other proper official of the Commission to execute an Agreement Waiving Right to Jury Trial with respect to matters arising under the Bond or this Resolution.

SECTION 13. FORM OF BOND. The Bond shall be substantially in the form attached hereto as Exhibit A (with such variations, omissions and insertions, due to differences in

denominations and other provisions, as may be required or permitted by this Resolution or any supplemental resolution). The insertion of the amount of each level monthly payment at the time the Bond is issued is expressly authorized.

SECTION 14. PROJECT FUND.

A. Application of Proceeds. The proceeds received from the sale of the Bond shall be applied by the Issuer simultaneously with the delivery of the Bond as follows:

(i) An amount equal to the accrued interest, if any, on the Bond shall be deposited in the Debt Service Fund, hereinafter created, as needed, used and applied to the payment of the interest next coming due on the Bond.

(ii) An amount equal to the cost of issuance shall be advanced to pay the cost of issuance of the Bond.

(iii) The balance of said proceeds shall be deposited into the Project Fund to be used for the Project as provided herein.

B. Project Fund. There is hereby established by the Issuer an account designed as the "Project Fund," separate and apart from other funds of the Issuer. The funds held in the Project Fund shall be applied by the Issuer exclusively to payment or to reimbursement of the Issuer for payment, of the Costs of the Project. Any moneys held in the Project Fund shall be invested and reinvested by the Issuer in Investment Obligations. The Issuer covenants that any separate moneys otherwise held by the Issuer for the payment of the Costs of the Project allocated out of the Project Fund shall be invested only in Investment Obligations. All interest accruing thereon and all profits and gain realized therefrom shall be credited to the Project Fund, and any loss resulting from such investments shall be charged to the Project Fund. All funds held in the Project Fund shall be spent no later than the third anniversary of the Closing Date, unless the Issuer obtains an opinion of Bond Counsel that such extension will not adversely affect the exclusion of interest on the Bond from gross income for Federal income tax purposes. If upon completion of the Project, all funds held in the Project Fund have not been spent, such remaining funds may be used to pay interest on the Bond for a period of up to one year after the completion of the Project, but in no event later than three (3) years from the Closing Date, and thereafter such amounts shall be applied only in accordance with the advice of Bond Counsel.

SECTION 15. SPECIAL OBLIGATIONS OF THE ISSUER. The Bond shall not be or constitute a general obligation or indebtedness or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of the Constitution and laws of the State of Florida, but shall be payable solely from amounts budgeted and appropriated by the Issuer from Non-Ad Valorem Funds in accordance herewith and, pending the application thereof, any moneys or investments held in the Debt Service Fund or the Redemption Fund hereunder. No Holder of the Bond shall ever have the right, directly or indirectly, to

compel the exercise of the ad valorem taxing powers of the Issuer, the State of Florida or any political subdivision thereof or taxation in any form on any real or personal property to pay such Bond or the interest or premium, if any, thereon, or any other amounts provided for in this Resolution, nor shall such Holder be entitled to payment of such principal or interest from any other fund of the Issuer other than the funds expressly designated herein.

SECTION 16. COVENANTS OF THE ISSUER WITH RESPECT TO THE BOND. Until the principal of and interest on the Bond has been paid in full, the Issuer covenants with the Bondholder as follows:

A. PUNCTUAL PAYMENT. The Issuer will punctually pay or cause to be paid the principal of and interest on the Bond, solely from the sources provided herein, in conformity with the terms of the Bond and this Resolution.

B. COVENANT TO BUDGET AND APPROPRIATE. The Issuer covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Funds lawfully available in each Fiscal Year, amounts necessary to pay all sums coming due on the Bond in that Fiscal Year. Such covenant and agreement on the part of the Issuer to budget and appropriate such amounts of Non-Ad Valorem Funds shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Funds or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, and actually paid. Notwithstanding the foregoing covenant of the Issuer, the Issuer does not covenant to maintain any services or programs, now provided or maintained by the Issuer, which generate Non-Ad Valorem Funds.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Funds, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Funds, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Funds, nor does it give the Bondholder a prior claim on the Non-Ad Valorem Funds as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Funds is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Funds heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Bond, as applicable, in the manner described herein Non-Ad Valorem Funds and placing on the Issuer a positive duty to appropriate and budget, by amendment if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of the Act, the payment of services and programs which are essential public purposes affecting the health, welfare, and safety of the inhabitants of the Issuer, or which are legally required by applicable law, and all other applicable laws and regulations.

C. PLEDGE OF FUNDS AND ACCOUNTS. The payment of the principal and interest on the Bond shall be secured until the Bond is retired in its entirety by an irrevocable and exclusive lien on the moneys on deposit in certain funds and accounts

created by this Resolution and all earnings thereon, all in the manner and to the extent provided herein and the Issuer does hereby irrevocably pledge and grant a security interest in favor of the Bondholder in the monies on deposit in the Project Fund, the Redemption Fund and the Debt Service Fund created by this Resolution, and all earnings thereon, for the payment of the principal and interest on the Bond and for all other payments as provided herein.

D. DEBT SERVICE FUND AND REDEMPTION FUND. On or before the first day of each April and October of each year, beginning April 1, 2020, the Issuer shall deposit the following:

(1) First, into the Bond Debt Service Fund (the "Debt Service Fund"), which is hereby created and established, as much money as is necessary to make the amount then on deposit in such account equal to the principal and interest payment on the Bond then due, which monies shall be used solely to pay such principal and interest payment to the Bondholder.

(2) Second, in the sole discretion of the Issuer, by deposit into the Bond Redemption Fund (the "Redemption Fund"), which is hereby created and established, so much, if any, as may be determined from time to time by the Issuer. Monies on deposit in the Redemption Fund shall be applied by the Issuer to fully prepay the Bond in accordance with the terms hereof and of the Bond.

E. TRUST FUNDS; RIGHT TO COMMINGLE. The Project Fund, the Debt Service Fund and Redemption Fund herein established and created, shall constitute trust funds to be held by the Chief Financial Officer of the Issuer for the purposes provided herein for such funds and accounts and shall not be subject to lien or attachment by any other creditor of the Issuer. All such funds and accounts shall be continuously secured in the same manner as municipal deposits are required to be secured by the laws of the State of Florida. Such funds and accounts may be commingled with other funds and accounts of the Issuer for investment purposes; provided that separate accounting records shall be maintained in order to determine the balances and, where necessary, the assets in the funds and accounts created hereunder.

F. INVESTMENT OF FUNDS. Monies on deposit in the Debt Service Fund and the Redemption Fund may be invested and reinvested in Investment Obligations in the manner permitted by the laws of Florida, provided that such Investment Obligations either mature or are redeemable at the option of the Issuer not later than the dates on which such monies will be needed for the purposes of such funds. All earnings from the investment of monies deposited in the Debt Service Fund and Redemption Fund shall be deposited in the Debt Service Fund and used to pay principal and interest on the Bond as it falls due. All earnings from the investment of monies deposited in the Project Fund shall be deposited in accordance with Section 14. To the extent that earnings from the funds and accounts established hereunder are to be deposited in other funds and accounts established hereunder, such deposits shall be made on a monthly basis.

G. BOOKS AND ACCOUNTS. The Issuer covenants and agrees that it will at all times keep, or cause to be kept, proper and current books and accounts in which complete and accurate entry shall be made of all transactions relating to all Non-Ad Valorem Funds and the Bondholder shall have the right at all reasonable times to inspect the same.

H. FINANCIAL STATEMENTS. The Issuer will furnish to the Bondholder (i) within 270 days after the conclusion of a Fiscal Year, an annual unqualified audited financial statement of the Issuer for the preceding Fiscal Year, prepared in conformity with generally accepted accounting principles applied on a consistent basis, and (ii) a certificate signed by the Issuer's Chief Financial Officer certifying that the Issuer has not violated any of the covenants and other obligations set forth in this Resolution and is not in violation of any of its other agreements, contracts or obligations except as otherwise described in such certificate.

I. ANNUAL BUDGET. The Issuer will furnish to the Bondholder annually within 30 days after completion and approval, a copy of its annual budget for the ensuing Fiscal Year.

J. ADDITIONAL DEBT. During such time as the Bond is outstanding hereunder, the Issuer agrees and covenants that no additional Debt of the Issuer shall be incurred unless the Non-Ad Valorem Funds exceed the projected Annual Debt Service on the Bond and annual debt service on Debt, including the proposed Debt to be issued, by at least 1.10 times. The test shall be determined using the actual Non-Ad Valorem Funds for the prior Fiscal Year based on the Issuer's annual audits.

K. NO MODIFICATION OR AMENDMENT. No modification or amendment of the Resolution or of any Resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Bondholder.

L. COMPLIANCE WITH LAWS AND REGULATIONS. The Issuer covenants and agrees to perform and comply in every respect material to the security of the Bond with all applicable federal and state laws, rules and regulations relating to the Bond and the performance of the Issuer's covenants and obligations hereunder.

SECTION 17. FEDERAL INCOME TAX COVENANTS.

A. The Issuer covenants with the Holder that it shall not use the proceeds of the Bond in any manner which would cause the interest on the Bond to be or become includable in the gross income of the Holder thereof for federal income tax purposes. The Issuer hereby covenants with the Holder of the Bond that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bond from the gross income of the Holder thereof for federal income tax purposes. The Issuer covenants not to use any of the proceeds of the Bonds or any other funds other than in accordance with the Certificate of the Town as to Tax, Arbitrage and Other Matters being executed and delivered by the Issuer at closing.

B. The Issuer covenants that not in excess of five percent (5%) of the net proceeds of the Bond are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose investments or assessments) to any person other than state or local government units.

C. The Issuer covenants that neither it nor any third party shall make any use of the proceeds of the Bond at any time during the term thereof which could cause the Bond to be a "private activity bond," an "arbitrage bond" or a "hedge bond" within the meaning of Sections 141, 148, or 149(g), respectively of the Code. The Issuer further covenants that, with the exception of amounts invested for a temporary period as set forth in Regulation 1.103-14(b), it shall not invest or permit to be invested the proceeds of the Bond at a yield higher than the yield on the Bond and that it shall take all action necessary to satisfy the requirements of such Regulation. The Issuer further covenants that it shall not invest, or permit to be invested, the proceeds of the Bond at a yield that is substantially guaranteed for four (4) or more years. The Issuer understands that this covenant imposes an obligation on the Issuer throughout the term of the issue to comply with the requirements of Section 148 of the Code, and to comply with the requirements of such Treasury regulations implementing such Code section.

D. The Issuer shall keep adequate records, including any necessary certifications, to evidence the fair market value of any Federal Securities purchased with the Bond proceeds until six (6) years after final payment on the Bond.

E. The Issuer covenants and agrees that it shall take, and not omit to take, any additional action required to be taken pursuant to the instructions from counsel, whether delivered in connection with or subsequent to the issuance and sale of the Bond, in order to comply with all provisions of the Code, compliance with which is required to maintain the interest payable on the Bond, as excluded from the gross income of the Holder, pursuant to Section 103 of the Code, and that it shall take any such additional action required to qualify the Bond for any applicable exception to the arbitrage rebate requirements imposed by the Code and to qualify the Bond for any applicable exception to the provisions of the code which deny financial institutions any deduction for interest expense allocable to tax-exempt obligations.

F. Based upon the finding and covenants contained in the Resolution and in the Bond, the Issuer anticipates that it shall qualify for the small-issuer exception from the rebate requirements. However, in the event that the Internal Revenue Service makes a determination that the Issuer is subject to the rebate requirements, the Issuer shall be responsible for the calculation, reporting, and payment to the United States of the requisite rebate amount and shall in such event establish a Rebate Fund hereunder.

G. The Issuer covenants that it shall immediately give notice to the Holder of any event which establishes, causes, or may establish or cause loss of any favorable tax attributes on the Bond.

H. Notwithstanding any other provision of the Resolution or the Bond to the contrary, as long as necessary in order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Bond, the covenants contained in the Bond and the Resolution shall survive the payment of the Bond and the Interest thereon.

SECTION 18. TAX ELECTIONS. The Issuer desires to qualify the Bond for the small governmental units exception to the arbitrage rebate requirements imposed by the Code upon tax-exempt obligations (such as the Bond) issued after September 1, 1986; and the Issuer does hereby represent and warrant that it is a governmental unit with general taxing powers, that at least ninety-five percent (95%) of the net proceeds (as defined in the Code) of the Bond will be used for local governmental activities of the Issuer, and that the aggregate face amount of all tax-exempt obligations, other than private activity bonds (as defined in the Code), issued by or on behalf of the Issuer (and all subordinate entities thereof) during the 2019 calendar year is not reasonably expected to exceed Ten Million and No/100 Dollars (\$10,000,000). The Issuer hereby designates the Bond as a qualified tax-exempt obligation within the meaning of Section 265(b)(3) of the Code.

SECTION 19. REPRESENTATIONS, WARRANTIES, AND AGREEMENTS OF THE ISSUER. The Issuer represents and warrants to and agrees with the Original Purchaser as of the date of delivery of the Bond as follows:

A. The Issuer is a body corporate and politic of the State of Florida, and is duly organized, active, existing, and in good standing under the laws of the State of Florida.

B. The Issuer has full power and authority to issue the Bond; to execute, deliver, and perform the Bond; to carryout and consummate all transactions contemplated by the Bond and this Resolution; and to expend the proceeds as provided in Section 14 of this Resolution.

C. The Issuer has duly authorized and approved; (i) the issuance of the Bond to evidence a loan to be made to the Issuer; (ii) the execution, delivery, and due performance of the Bond; (iii) the covenant to budget and appropriate from legally available Non-Ad Valorem Funds for the payment of the Bond as stated herein; and (iv) the taking of any and all action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated hereby and thereby.

D. The Issuer has complied with all open meeting laws, all public bidding laws, and all other state and federal laws applicable to the Issuer's performance of the transactions contemplated by the Bond and this Resolution, and has obtained all approvals necessary for the execution, delivery, and performance of such transactions.

E. The financing of the Project will serve a public function and is necessary, useful, or appropriate to one or more governmental purposes of the Issuer and is

necessary to the efficient and economic operation of the Issuer and is consistent with the permissible scope of the Issuer's authority.

F. The Issuer further warrants and represents that this Resolution and Bond are valid and enforceable obligations of the Issuer and that funds have been budgeted, approved, and made available by the appropriate Governing Body of the Issuer for the payments during the Issuer's current fiscal year and the Issuer will use its best efforts to budget and appropriate funds from legally available Non-Ad Valorem Funds sufficient to make all payments for the remainder of the Bond.

G. There is no action, suit, proceeding, or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer, or, to the best of the knowledge of the Issuer, any basis therefore, wherein an unfavorable decision, ruling, or finding would restrain or enjoin the issuance of the Bond or which in any way would adversely affect the validity of the Bond or the Resolution, or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in connection with the issuance of the Bond.

H. The execution and delivery by the Issuer of the Bond and any other agreements or certificates contemplated hereby or thereby and in compliance with the provisions of the Bond and the Resolution will not conflict with, or constitute on the part of the Issuer a breach of, or a default under, any existing law, court order or any provision of any legislative act or constitutional or other proceeding applicable to the Issuer of affairs, ordinances or resolutions, or any agreement, indenture, mortgage, lease or other instrument to which the Issuer is subject or by which it is bound.

I. 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 connection with the issuance of the Bond exist, have happened and have been performed, in regular and due form and time as required by the Constitution and laws of the State of Florida applicable hereto, and that the issuance of the Bond does not violate any constitutional, statutory or charter limitations or provisions and the indebtedness evidenced by the Bond is a valid exercise of the Issuer's borrowing power.

J. The Issuer shall give prompt written notice to the Holder of any Event of Default, or any event within which the passage of time would become an Event of Default, of which the Issuer has actual knowledge or written notice.

SECTION 20. EVENT OF DEFAULT; REMEDIES.

A. EVENT OF DEFAULT. Each of the following events is hereby declared an "event of default":

- (i) payment of the principal of or interest on the Bond or any other indebtedness of the Issuer to the Bondholder under the Bond shall not be made

within ten (10) days of the date such payments become due and payable, either at maturity or otherwise; or

(ii) the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder to the extent that the payment of or security for the Bond would be materially adversely affected, and such condition shall continue unremedied for a period of thirty (30) days after the Issuer becomes aware of such conditions; or

(iii) any proceeding shall be instituted with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted; or

(iv) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer or its Non-Ad Valorem Funds or any part thereof or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within sixty (60) days after the filing thereof; or

(v) the Issuer shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Bond or this Resolution on the part of the Issuer to be performed (other than any covenant, condition, agreement or provision referred to in paragraph (i) through (iv) immediately above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the current Holder of the Bond then outstanding, provided, however, if such default cannot reasonably be cured within thirty (30) days, then Issuer shall have an additional thirty (30) days to cure provided that the Issuer institutes appropriate curative action and diligently pursues such curative action, or

(vi) the Issuer shall have made any representation or warranty in this Resolution or in any certificate or statement furnished to the Bondholder hereunder or relating to the Bond which proves to have been untrue or misleading in any material respect when made or furnished; or

(vii) the existence of the Issuer is terminated by the Florida Legislature.

B. DEFAULT INTEREST. Upon the happening of any event of default specified in subsection A of this Section, the Bond shall bear interest at the lesser of (i) the maximum rate permitted by law or (ii) a default rate equal to (a) the interest rate on the Bond at the time of such default plus (b) 4%, from and after the occurrence of any event of default described in subsection A of this Section.

C. RIGHT OF BONDHOLDER TO INSTITUTE SUIT. Upon the happening and continuance of any event of default specified in subsection A of this Section, then and in every such case the Bondholder may proceed, subject to the provisions of subsection C of this Section, to protect and enforce the rights of such Bondholder under the laws of the State of Florida, including the Act and this Resolution, by a suit, action or special proceeding in equity or at law, or by a proceeding in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant, agreement or provision herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy as such Bondholder shall deem most effectual to protect and enforce such rights. If the Issuer defaults under any of the provisions of the Bond or this Resolution and the Bondholder shall employ attorneys or incur other expenses for the collection of the payments under the Bond or the enforcement of performance or observance of any obligation or agreement of the Issuer contained in the Bond or this Resolution, the Issuer shall pay on demand therefore the reasonable fees of attorneys (including fees on appeal) and such other expenses incurred by the Bondholder.

No Holder of the Bond shall have any right in any manner whatever to enforce any right hereunder except in the manner herein provided.

E. DISCONTINUED PROCEEDINGS. In case any proceeding taken by the Bondholder on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Issuer and the Bondholder shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondholder shall continue as though no such proceeding had been taken.

F. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy or remedies and each and every remedy conferred shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

G. NO WAIVER OF HOLDER'S RIGHTS. No delay or omission of the Bondholder to exercise any right or power accruing upon any default shall impair its rights hereunder with respect to any such default or shall constitute an acquiescence therein; and every power and remedy given by this Section 20 to the Holder may be exercised from time to time and as often as may be deemed expedient.

SECTION 21. ADDITIONAL PAYMENTS UPON DETERMINATION OF TAXABILITY OR OTHER EVENTS. If (i) there is a Determination of Taxability or (ii) the Bond shall not be "a qualified tax exempt obligation" as defined in Section 265(b)(3) of the Code, then the Bondholder shall have the right to adjust the interest rate to obtain the same after-tax yield as if such events had not occurred. The obligation of the Issuer contained in this Section with respect to the payment of amounts required to be paid in the event of a Determination of Taxability shall survive the payment in full of the Bond.

SECTION 22. REMEDIES NOT EXCLUSIVE. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the Holder of the Bond.

SECTION 23. SUPPLEMENTAL RESOLUTIONS. After issuing the Bond, the Issuer will not adopt any supplemental resolutions which would materially adversely affect the ability of the Issuer to make payments on the Bond when due.

SECTION 24. COSTS OF ISSUANCE. The Issuer shall pay all costs associated with the issuance of the Bond, including the fees and costs of the Issuer's counsel, fees of the Original Purchaser and counsel engaged by the Original Purchaser (up to \$5,000 in the aggregate), documentary stamp taxes, if any, and UCC-1 financing statement filing fees. The Issuer will indemnify and hold the Original Purchaser harmless with respect to all such costs, whether arising before or after the Bond is issued.

SECTION 25. FLORIDA LAW. This Resolution and the Bond shall be deemed to be contracts made under the laws of the State of Florida and for all purposes shall be governed by and construed in accordance with the laws of the State of Florida, without reference to the choice of law rules or the conflict of law rules of that state.

SECTION 26. NOTICE. All notices made or required to be given pursuant to this Resolution shall be in writing and shall be deemed duly served if and when mailed, certified or registered mail, postage prepaid, return receipt requested, to the other party at its address set forth below:

If to the Issuer:

Christine Nicole
Town Clerk
Town of Belleair
901 Ponce De Leon Blvd.
Belleair, Florida 33756

With a copy to:
GrayRobinson, P.A.
P.O. Box 3324
Tampa, Florida 33601
Attention: David Ottinger, Esq.

If to the Original Purchaser:

Branch Banking and Trust Company
5130 Parkway Plaza Boulevard, Building No. 9

Charlotte, North Carolina 28217
Attention: Governmental Finance

or at such other address as such parties shall hereafter designate in writing.

SECTION 27. AUTHORIZATIONS. The Town Manager of the Issuer and the Town Clerk of the Issuer are hereby authorized to execute the Bond by their facsimile or manual signatures in the manner provided herein. Such officers, the Chief Financial Officer, and such other officers, employees and agent of the Issuer as may be designated by the Town Manager, are hereby authorized and directed to execute such documents, instruments and contracts, whether or not expressly contemplated hereby, and to execute and do all acts and things required by the provisions of this Resolution as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution. The Town Manager of the Issuer, or such other officer as may be hereafter designated by the Governing Body, is hereby designated as the primary officer of the Issuer charged with the responsibility of issuing the Bond.

SECTION 28. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provisions of this Resolution should be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Bond issued hereunder.

SECTION 29. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

SECTION 30. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Town Commission of the Town of Belleair, Florida,
this 5th day of November, 2019.

Gary H. Katica, Mayor

ATTEST:

Town Clerk

Approved as to Form and Correctness:

Town Attorney

Exhibit A

FORM OF BOND