BEFORE THE CITY COMMISSION
CITY OF STUART, FLORIDA

RESOLUTION NO. 46-2019

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STUART, FLORIDA AUTHORIZING THE ISSUANCE OF A PUBLIC UTILITY SPECIAL OBLIGATION BOND ANTICIPATION NOTE, SERIES 2019 OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $1,500,000 TO FINANCE EXPANSION OF SEWER IMPROVEMENTS WITHIN THE PUBLIC UTILITY SYSTEM; PROVIDING THAT THE BOND ANTICIPATION NOTE SHALL BE A LIMITED OBLIGATION OF THE CITY PAYABLE FROM PROCEEDS OF A SERIES OF BONDS EXPECTED TO BE ISSUED ON OR PRIOR TO THE MATURITY DATE OF SUCH BOND ANTICIPATION NOTE AND PUBLIC UTILITY NON-AD VALOREM REVENUES BUDGETED, APPROPRIATED, AND DEPOSITED AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF THE BOND ANTICIPATION NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, it is necessary and urgent that funds be made immediately available in order to provide funds to immediately commence the expansion of sewer improvements within the hereinafter defined Public Utility System (the "Project"); and

WHEREAS, the City of Stuart, Florida (the "Issuer") intends to issue a series of bonds on or before the hereinafter defined Maturity Date (the "Takeout Refinancing") to refinance the hereinafter defined Bond Anticipation Note; and

WHEREAS, the City Commission of the Issuer now desires to adopt this Resolution to authorize its Public Utility Special Obligation Bond Anticipation Note, Series 2019 (the "Bond Anticipation Note") to finance and/or reimburse a portion of the costs of the Project in anticipation of the Takeout Refinancing, which is expected to occur on or prior to the Maturity Date; and

WHEREAS, the Issuer in good faith endeavors to issue the Takeout Refinancing within that timeframe; and

WHEREAS, the Issuer has determined that it is necessary and desirable to adopt this Resolution to provide for various details and other matters with respect to the Bond Anticipation Note.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STUART, FLORIDA that:

Section 1: *Authority for this Resolution*. This Resolution is adopted pursuant to the Constitution and the laws of the State of Florida, Chapter 166, Part II, Florida Statutes, Chapter 159, Part I, Florida Statutes, Section 215.431, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law (collectively, the "Act").

Section 2: *Definitions*. All capitalized undefined terms shall have the same meanings as set forth in this resolution, as hereinafter defined. In addition, the following terms, unless the context otherwise requires, shall have the meanings specified in this section. Words importing the singular number shall include the plural number in each case and vice versa.

"Bond Anticipation Note" shall have the meaning ascribed thereto in the WHEREAS clauses above and authorized by Section 4 hereof, and shall be issued in accordance with Article IV, Section 4 of Resolution No.163-94 adopted by the City Commission of the Issuer on December 8, 1994, as amended.

"Business Day" shall mean any day other than a Saturday, a Sunday, or a day on which banks in Stuart, Florida are authorized or required to be closed.

"City Attorney" shall mean the City Attorney or any acting or interim City Attorney of the Issuer or his or her designee.

"City Clerk" shall mean the City Clerk or any assistant or deputy City Clerk of the Issuer.

"City Manager" shall mean the City Manager or any assistant or deputy City Manager of the Issuer.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

"Debt Service Fund" shall mean the Debt Service Fund established in Section 10 hereof.

"Financial Services Director" shall mean the Financial Services Director of the Issuer or any assistant or deputy thereof.

"Gross Revenues" shall have the meaning ascribed thereto in Resolution No.163-94 adopted by the City Commission of the Issuer on December 8, 1994, as amended.

"Issuer" shall mean the City of Stuart, Florida, a municipal corporation.

"Maturity Date" shall mean May 15, 2020.

"Mayor" shall mean the Mayor or Vice Mayor, or the Mayor's designee of the Issuer.

"Net Revenues" shall mean the Gross Revenues remaining after deducting of monthly Operating Expenses.

"Note Counsel" shall mean, Bryant Miller Olive P.A., or other national recognized bond counsel firm.

"Operating Expenses" shall have the meaning ascribed thereto in Resolution No.163-94 adopted by the City Commission of the Issuer on December 8, 1994, as amended.

"Original Purchaser" shall mean Seacoast National Bank, a national banking association.

"Owner" shall mean the Person or Persons in whose name or names the Bond Anticipation Note shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of this Resolution.

"Person" shall mean natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

"Pledged Revenues" shall mean the proceeds of the Takeout Refinancing and the Public Utility Non-Ad Valorem Revenues budgeted, appropriated and deposited in the Debt Service Fund as provided herein.

"Principal Office" shall mean with respect to the Original Purchaser, 815 Colorado Avenue, Stuart, Florida 34994, or such other office as the Original Purchaser may designate to the Issuer in writing.

"Project" shall have the meaning ascribed thereto in the WHEREAS clauses above.

"Project Fund" shall mean the Project Fund established in Section 11 hereof.

"Public Utility Non-Ad Valorem Revenues" shall mean Net Revenues remaining after satisfying funding requirements for obligations having an express lien on or pledge thereof.

"Public Utilities System" shall have the meaning ascribed thereto in Resolution No.163-94 adopted by the City Commission of the Issuer on December 8, 1994, as amended.

"Resolution" shall mean this resolution, pursuant to which the Bond Anticipation Note is authorized to be issued, including any supplemental resolution(s).

"State" shall mean the State of Florida.

Section 3: *Findings.*

(A) The Issuer declares that it is necessary for the continued preservation of public health and deems it beneficial and in its best financial interest to finance and/or reimburse a portion of the costs of the Project through the issuance of the Bond Anticipation Note. The issuance of the Bond Anticipation Note to finance and/or reimburse a portion of the costs of the Project satisfies a public purpose.

(B) The Bond Anticipation Note is secured by a covenant to budget and appropriate Public Utility Non-Ad Valorem Revenues of the Issuer. The Pledged Revenues will be sufficient to pay the principal and interest on the Bond Anticipation Note herein authorized, as the same become due, and to make all deposits required by this Resolution. The Issuer shall never be required to levy ad valorem taxes on any real property therein to pay the principal of and interest on the Bond Anticipation Note or to make any other payments specified herein. The Bond Anticipation Note shall not constitute a lien upon any property owned by or located within the boundaries of the Issuer other than the sources of security described herein.

(C) The estimated Public Utility Non-Ad Valorem Revenues and the proceeds of the Takeout Refinancing will be sufficient to pay all principal of and interest on the Bond Anticipation Note, as the same become due, and to make all required deposits to the Debt Service Fund.

(D) The Issuer has received an offer from the Original Purchaser to purchase the Bond Anticipation Note.

Section 4: *Authorization of Takeout Refinancing, the Project, and Bond Anticipation Note*. For the purposes of Section 215.431, Florida Statutes, the Issuer hereby authorizes the issuance in the future of the Takeout Refinancing in a principal amount which is sufficient to refinance the Bond Anticipation Note, further details to be determined pursuant to a resolution to be adopted in the future by the City Commission of the Issuer. Subject and pursuant to the provisions of this Resolution and in anticipation of the closing of the Takeout Refinancing, an obligation of the Issuer to be known as the " Public Utility Special Obligation Bond Anticipation Note, Series

2019," herein defined as the "Bond Anticipation Note," is authorized to be issued in the original principal amount of not to exceed $1,500,000 for the purpose of financing and/or reimbursing a portion of the costs of the Project and paying the costs of issuing the Bond Anticipation Note.

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

Section 5: *This Resolution to Constitute Contract.* In consideration of the acceptance of the Bond Anticipation Note authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Owner.

Section 6: *Description of the Bond Anticipation Note.* The Bond Anticipation Note shall initially be in the mode of a non-revolving line of credit permitting the Issuer to draw all or a part of the not to exceed principal amount of the Bond Anticipation Note at any one time. The Bond Anticipation Note shall be dated the date of its execution and delivery, which shall be a date agreed upon by the Issuer and the Original Purchaser, subject to the following terms:

(A) Interest Rate. The Bond Anticipation Note shall have an initial fixed interest rate equal to 3.22% per annum calculated on the basis of actual/360 day year. Such interest rate is subject to change upon conditions set forth in the Bond Anticipation Note, the form of which is attached hereto as Exhibit A.

(B) Principal and Interest Payment Dates. Interest only on the amount drawn which remains outstanding of the Bond Anticipation Note shall be paid semi-annually commencing November 15, 2019. Principal on the Bond Anticipation Note shall be paid in full on the Maturity Date.

(C) Prepayment of the Bond Anticipation Note. The Bond Anticipation Note shall be subject to prepayment at the option of the Issuer in whole or in part at any time with no penalty.

(D) Form of the Bond Anticipation Note. The Bond Anticipation Note is to be in substantially the form set forth in Exhibit A attached hereto, together with such non-material changes as shall be approved by the Mayor and the City Manager, such approval to be conclusively evidenced by the execution thereof by the Mayor and the City Manager.

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

(F) Advances. The Bond Anticipation Note may be drawn upon in multiple drawings (each an "Advance") under the following terms:

(1) Each Advance must be requested by the Issuer (a "Requisition") in writing in the form attached hereto as Exhibit D, executed by the Financial Services Director and delivered to the Owner.

(2) Each Advance must be applied to pay for the costs of the Project and/or the costs of issuance of the Bond Anticipation Note.

Section 7: *Execution and Authentication of Bond Anticipation Note.* The Bond Anticipation Note shall be executed in the name of the Issuer by its Mayor and City Manager and attested and countersigned by its City Clerk, subject to the approval of the City Attorney as to form and legality, and the corporate seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. In case any one or more of the officers of the Issuer who shall have signed or sealed the Bond Anticipation Note shall cease to be such officer or officers of the Issuer before the Bond Anticipation Note so signed and sealed shall have been actually sold and delivered, such Bond Anticipation Note may nevertheless be sold and delivered as if the persons who signed or sealed such Bond Anticipation Note had not ceased to hold such offices. The Bond Anticipation Note may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond Anticipation Note shall hold the proper office, although at the date of such execution of the Bond Anticipation Note such person may not have held such office or may not have been so authorized.

Section 8: *Registration and Exchange of the Bond Anticipation Note; Persons Treated as Owner*. The Bond Anticipation Note is initially registered to the Original Purchaser. So long as the Bond Anticipation Note shall remain unpaid, the Issuer will keep books for the registration and transfer of the Bond Anticipation Note. The Bond Anticipation Note shall be transferable only upon such registration books. Notwithstanding anything herein to the contrary, the Original Purchaser may in the future make transfers or enter into participation agreements or securitization transactions with respect to the Bond Anticipation Note; provided, however, the Bond Anticipation Note must be in minimum denominations of $100,000 upon any such transaction.

The Person in whose name the Bond Anticipation Note shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of principal and interest on such Bond Anticipation Note shall be made only to or upon the written order of the Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond Anticipation Note to the extent of the sum or sums so paid.

Section 9: *Payment of Principal and Interest; Limited Obligation*. The Issuer promises that it will promptly pay the principal of and interest on the Bond Anticipation Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Bond Anticipation Note is secured by a pledge of and lien upon the Pledged Revenues in the manner and to the extent described herein. The Bond Anticipation Note shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable from and secured solely by the Pledged Revenues in accordance with the terms hereof. No holder of the Bond Anticipation Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or the use of ad valorem tax revenues to pay such Bond Anticipation Note, or be entitled to payment of such Bond Anticipation Note from any funds of the Issuer except from the Pledged Revenues as described herein.

Section 10: *Covenant to Budget and Appropriate*. (A) Subject to the next paragraph, the Issuer covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Public Utility Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund hereinafter created, amounts sufficient to pay principal of and interest on the Bond Anticipation Note and all other payments due hereunder not being paid from other amounts no later than 5 days before the date the same shall become due. Such covenant and agreement on the part of the Issuer to budget, appropriate and deposit such amounts of Public Utility Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Public Utility Non-Ad Valorem Revenues in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Public Utility Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided herein. The Issuer further acknowledges and agrees that the obligations of the Issuer to include the amount of such amendments in each of its annual budgets and to pay such amounts from Public Utility Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Public Utility Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Public Utility Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Public Utility Non-Ad Valorem Revenues. Such covenant to budget and appropriate Public Utility Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Public Utility Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments).

The obligation of the Issuer to budget, appropriate, deposit and make payments hereunder from its Public Utility Non-Ad Valorem Revenues is subject to the availability of

Public Utility Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues.

There is hereby created and established the "City of Stuart, Florida Public Utility Special Obligation Bond Anticipation Note, Series 2019 Debt Service Fund (the "Debt Service Fund"), which fund shall be a trust fund held by the Financial Services Director, which shall be held solely for the benefit of the holder of the Bond Anticipation Note. The Debt Service Fund shall be deemed to be held in trust for the purposes provided herein for such Debt Service Fund. The money in such Debt Service Fund shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State. The designation and establishment of the Debt Service Fund in and by this Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided. The Issuer may at any time and from time to time appoint one or more depositaries to hold, for the benefit of the Owner of the Bond Anticipation Note, the Debt Service Fund established hereby. Such depository or depositaries shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from such Debt Service Fund as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars ($50,000,000).

(B) Until applied in accordance with this Resolution, the Public Utility Non-Ad Valorem Revenues of the Issuer on deposit in the Debt Service Fund and other amounts on deposit from time to time in the funds and accounts established herein, plus any earnings thereon, shall be pledged to the repayment of the Bond Anticipation Note.

Section 11. *Application of Proceeds of Bond Anticipation Note*. The Issuer will apply the proceeds of the Bond Anticipation Note, when drawn in the manner described herein, to pay associated costs of issuance (including without limitation legal and financial advisory fees and expenses). The remaining proceeds of the Bond Anticipation Note shall, when drawn in the manner described herein, be deposited into the hereby created and established "City of Stuart, Florida Public Utility Special Obligation Bond Anticipation Note, Series 2019 Project Fund (the "Project Fund"), to pay a portion of the costs of the Project. All income received from investment of monies in the Project Fund, if any, can be used to pay the costs of the Project or debt service on the Bond Anticipation Note.

The funds and accounts created and established by this Resolution shall constitute trust funds for the purpose provided herein for such funds. Moneys on deposit to the credit of all funds and accounts created hereunder may be invested pursuant to applicable law and the

Issuer's written investment policy and shall mature not later than the dates on which such moneys shall be needed to make payments in the manner herein provided.

Section 12: *Amendment*. This Resolution shall not be modified or amended in any respect subsequent to the issuance of the Bond Anticipation Note, except with the written consent of the Owner of the Bond Anticipation Note.

Section 13: *Limitation of Rights*. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bond Anticipation Note is intended or shall be construed to give to any Person other than the Issuer and the Owner any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Owner.

Section 14: *Bond Anticipation Note Mutilated, Destroyed, Stolen or Lost*. In case the Bond Anticipation Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Bond Anticipation Note of like tenor as the Bond Anticipation Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Bond Anticipation Note, or in lieu of and in substitution for the Bond Anticipation Note destroyed, stolen or lost and upon the Owner furnishing the Issuer proof of ownership thereof and indemnity reasonably satisfactory to the Issuer and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. The Bond Anticipation Note so surrendered shall be canceled.

Section 15: *Impairment of Contract*. The Issuer covenants with the Owner of the Bond Anticipation Note that it will not, without the written consent of the Owner of the Bond Anticipation Note, enact any ordinance or adopt any resolution which repeals, impairs or amends in any manner adverse to the Owner the rights granted to the Owner of the Bond Anticipation Note hereunder.

Section 16: *Tax Covenants.* The Issuer covenants to the Owner of the Bond Anticipation Note provided for in this Resolution that the Issuer will not make any use of the proceeds of the Bond Anticipation Note at any time during the term of the Bond Anticipation Note which would cause the Bond Anticipation Note to be an "arbitrage bond" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Bond Anticipation Note from the gross income of the Owner for purposes of federal income taxation.

Section 17: *Events of Default; Remedies of Owners of the Bond Anticipation Note.* The following shall constitute "Events of Default": (i) if the Issuer fails to pay any payment of principal of or interest on the Bond Anticipation Note or other debt payable from any Public

Utility Non-Ad Valorem Revenues as the same becomes due and payable; (ii) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Resolution or the Note (other than set forth in (i) above) and fails to cure the same within thirty (30) days following notice thereof; (iii) filing of a petition by or against the Issuer relating to bankruptcy, reorganization, arrangement or readjustment of debt of the Issuer or for any other relief relating to the Issuer under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the Issuer, and the continuance of any such event for 90 days undismissed or undischarged; or (iv) the Issuer shall fail to comply in any material respect with its obligations under Resolution No. 163-94 adopted by the City Commission of the Issuer on December 8, 1994, as amended.

Upon the occurrence and during the continuation of any Event of Default, the Owner of the Bond Anticipation Note may, in addition to any other remedies set forth in this Resolution or the Bond Anticipation Note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, or by any applicable statutes to be performed by the Issuer.

Section 18: *Severability.* If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Bond Anticipation Note issued thereunder.

Section 19: *Business Days.* In any case where the due date of interest on or principal of a Bond Anticipation Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Owner.

Section 20: *Applicable Provisions of Law.* This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 21: *Rules of Interpretation.* Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

Section 22: *Captions.* The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 23: *Members of the City Commission Not Liable.* No covenant, stipulation, obligation or agreement contained in this Resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Issuer in his or her individual capacity, and neither the members of the City Commission of the Issuer nor any Person executing the Bond Anticipation Note shall be liable personally on the Bond Anticipation Note or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the Bond Anticipation Note or this Resolution.

Section 24: *Authorizations*. The Mayor and City Manager and such other officials and employees of the Issuer as may be designated by the City Manager are each designated as agents of the Issuer in connection with the execution and delivery of the Bond Anticipation Note and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the Bond Anticipation Note, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

Section 25: *Financial Advisory Services*. The City Commission hereby appoints PFM Financial Advisors LLC to provide financial advisory services on the Bond Anticipation Note and the Takeout Refinancing.

Section 26: *Open Meeting Findings.* It is hereby found and determined that all official acts by the City Commission of the Issuer concerning and relating to the adoption of this Resolution and all prior resolutions affecting the City Commission of the Issuer ability to issue the Bond Anticipation Note were taken in an open meeting of the City Commission and that all deliberations of the City Commission or any of its committees that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements, including Section 286.011, Florida Statutes.

Section 27. *Applicable Provisions of Law; Waiver of Jury Trial*. The Issuer and, by acceptance of the Bond Anticipation Note, the Owner of the Bond Anticipation Note each agree that the Bond Anticipation Note and any matters relating thereto shall be governed by and construed in accordance with the laws of the State. The Issuer and, by acceptance of the Bond Anticipation Note, the Owner of the Bond Anticipation Note each consent to Florida jurisdiction and agree to waive trial by jury in any action arising under the Bond Anticipation Note or any matters relating thereto.

Section 28: *Repealer.* All resolutions or portions thereof in conflict herewith are hereby repealed.

Section 29: *Notices*. Any notice or other communication to be given to the Original Purchaser under this Resolution shall be given by delivering the same in writing to the Principal Office with a copy to 121 S. Flagler Ave, Stuart, Florida 34994 Attention: Sarah Lynch, Vice President.

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Section 30: *Effective Date.* This Resolution shall be in full force and take effect immediately upon its passage and adoption.

ADOPTED this 13th day of May, 2019.

Commissioner _____ offered the foregoing resolution and moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a roll call vote, the vote was as follows:

	YES	NO	ABSENT
BECKY BRUNER, MAYOR			
EULA R. CLARKE, VICE MAYOR			
KELLI GLASS-LEIGHTON, COMMISSIONER			
MERRITT MATHESON, COMMISSIONER			
MIKE MEIER, COMMISSIONER			

ATTEST

_____

MARY KINDEL, CMC
CITY CLERK

_____

BECKY BRUNER
MAYOR

APPROVED AS TO FORM
AND CORRECTNESS:

_____

MICHAEL J. MORTELL
CITY ATTORNEY

EXHIBIT A

FORM OF BOND ANTICIPATION NOTE

Dated Date: May 15, 2019 Not to Exceed $1,500,000

Interest Rate: 3.22%
(subject to adjustment as provided herein)

STATE OF FLORIDA
MARTIN COUNTY, FLORIDA
CITY OF STUART, FLORIDA
PUBLIC UTILITY SPECIAL OBLIGATION BOND ANTICIPATION NOTE, SERIES 2019

KNOW ALL MEN BY THESE PRESENTS that City of Stuart, Florida (the "Issuer"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of Seacoast National Bank or registered assigns (hereinafter, the "Owner"), the principal sum of not to exceed $1,500,000, on the dates and in the amounts as hereinafter described, together with interest on the principal balance only on the amount drawn which remains outstanding at the Interest Rate, subject to adjustment as provided herein, calculated on the basis of actual/360 day year, however, that such interest rate shall in no event exceed the maximum interest rate permitted by applicable law. This Bond Anticipation Note shall have a final "Maturity Date" of May 15, 2020. Presentation of this Bond Anticipation Note shall not be required for payment on the Maturity Date, and the Owner shall return the Bond Anticipation Note to the Issuer within a reasonable amount of time thereafter.

Interest shall be payable semi-annually commencing November 15, 2019. Principal on the Bond Anticipation Note shall be paid in full on the Maturity Date.

This Bond Anticipation Note shall be issued as a non-revolving line of credit subject to draws, all in the manner and to the extent described in the hereinafter defined Resolution.

This Bond Anticipation Note can be prepaid at the option of the Issuer in whole or in part at any time with no penalty.

If any date for the payment of principal and interest hereon shall fall on a day which is not a Business Day the payment due on such date shall be due on the next succeeding day which is a Business Day, but the Issuer shall not receive credit for the payment until it is actually received by the Owner.

All payments by the Issuer pursuant to this Bond Anticipation Note shall apply first to accrued interest, then to other charges due the Owner, and the balance thereof shall apply to principal.

THIS BOND ANTICIPATION NOTE DOES NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS BOND ANTICIPATION NOTE THAT SUCH NOTEHOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE ISSUER OR TAXATION OF ANY REAL OR PERSONAL PROPERTY THEREIN OR THE USE OF AD VALOREM TAX REVENUES FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND ANTICIPATION NOTE OR THE MAKING OF ANY OTHER PAYMENTS PROVIDED FOR IN THE RESOLUTION.

This Bond Anticipation Note is issued pursuant to the Constitution and the laws of the State of Florida, Chapter 166, Part II, Florida Statutes, Chapter 159, Part I, Florida Statutes, Section 215.431, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law, and a resolution duly adopted by the Issuer on May 13, 2019, as amended and supplemented from time to time (herein referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. All terms, conditions and provisions of the Resolution including, without limitation, remedies in the Event of Default are by this reference thereto incorporated herein as a part of this Bond Anticipation Note. Payment of this Bond Anticipation Note is secured by a pledge of lien upon the Pledged Revenues, in the manner and to the extent described in the Resolution. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

Upon the occurrence of a Determination of Taxability (as hereinafter defined), the Interest Rate on this Bond Anticipation Note shall be adjusted to equal the 1 year treasury bill rate as of the date of issuance of this Bond Anticipation Note plus 159 basis points (the "Taxable Rate") calculated on the basis of actual/360 day year, as of and from the date of such Determination of Taxability would be applicable with respect to the Bond Anticipation Note (the "Accrual Date"); and (i) the Issuer shall on the next Interest Payment Date (or if this Bond Anticipation Note shall have matured, within thirty (30) days after demand by the Owner) hereon pay to the Owner an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Bond Anticipation Note at the Taxable Rate from the Accrual Date to such Interest Payment Date (or payment date following such demand), and (B) the actual interest paid by the Issuer on this Bond Anticipation Note from the Accrual Date to such Interest Payment Date (or payment date following such demand), and (2) any interest and penalties required to be paid as a result of any such Determination of Taxability; and (ii) from and after the Determination of Taxability, this Bond Anticipation Note shall continue to bear interest at the Taxable Rate for the period such determination continues to be applicable with respect to this Bond Anticipation Note. The adjustment shall survive payment of this Bond

Anticipation Note until such time as the federal statute limitations under which the interest on this Bond Anticipation Note could be declared taxable under the Code shall have expired.

"Determination of Taxability" shall mean that as a consequence of the action or inaction of the Issuer, all or a portion of the interest accrued or paid on all or any portion of this Bond Anticipation Note is not excludable from the gross income of the Owner (or any former Owner) of this Bond Anticipation Note for federal income tax purposes, as determined by such Owner (or any former Owner).

This Bond Anticipation Note shall bear interest at the Interest Rate; provided, however, that if any principal of or interest on this Bond Anticipation Note is not paid when due, this Bond Anticipation Note and any amount so in default shall bear interest at the Default Rate until such default is cured. Furthermore, if such payment default is not cured within ten (10) days, the Owner may, at its discretion, charge a late fee of 5% of payment amount due. Any such delinquent payments shall be applied first to any late charges and interest accrued, unless the Owner then chooses to apply otherwise. Anything provided in the Resolution or in this Bond Anticipation Note to the contrary notwithstanding, in no event shall this Bond Anticipation Note bear interest in excess of the maximum interest rate permitted by applicable law.

"Default Rate" means the lesser of (i) 12% or (ii) the maximum interest rate permitted by law.

This Bond Anticipation Note may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Issuer and in the manner provided in the Resolution.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Bond Anticipation Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Bond Anticipation Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

{Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer has caused this Bond Anticipation Note to be signed by its Mayor and City Manager, on behalf of the City Commission of the Issuer, either manually or with facsimile signature, and the seal of the Issuer to be affixed hereto or imprinted or reproduced hereon, and attested and countersigned by the City Clerk and approved as to form and legality by the City Attorney, either manually or with facsimile signature, and this Bond Anticipation Note to be dated the Date of Issuance set forth above.

CITY OF STUART, FLORIDA

(SEAL)

By:_____
Name: Becky Bruner
Title: Mayor

By:_____
Name: David Dyess
Title: City Manager

ATTESTED AND COUNTERSIGNED:

By:_____
Name: Mary Kindel, CMC
Title: City Clerk

APPROVED AS TO FORM
AND LEGALITY:

By:_____
Name: Michael J. Mortell
Title: City Attorney

EXHIBIT B

FORM OF PURCHASER'S CERTIFICATE

This is to certify that Seacoast National Bank (the "Purchaser") has not required the City of Stuart, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance of not to exceed $1,500,000 City of Stuart, Florida Public Utility Special Obligation Bond Anticipation Note, Series 2019 (the "Bond Anticipation Note"), and no inference should be drawn that the Purchaser, in the acceptance of the Bond Anticipation Note, is relying on Note Counsel or the City Attorney as to any such matters other than the legal opinion rendered by Note Counsel, Bryant Miller Olive P.A. and by Michael J. Mortell, Esq., City Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meanings set forth in a resolution adopted by the City Commission of the Issuer on May 13, 2019 (the "Resolution").

We are aware that investment in the Bond Anticipation Note involves various risks, that the Bond Anticipation Note is not a general obligation of the Issuer or payable from ad valorem tax revenues, and that the payment of the Bond Anticipation Note is secured solely from the sources described in the Resolution (the "Note Security").

We have made such independent investigation of the Note Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Bond Anticipation Note and can bear the economic risk of our investment in the Bond Anticipation Note.

We acknowledge and understand that the Resolution is not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Note Counsel nor the City Attorney shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, and are purchasing the Bond Anticipation Note primarily as an investment for our own account and not with a present view towards a resale or other distribution to the public. We understand that the Bond Anticipation Note may not be transferred in a denomination less than $100,000 under any circumstances.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as

contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Bond Anticipation Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are either (i) a "qualified institutional buyer" as defined in Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended; or (ii) an "accredited investor" as defined in Rule 501 promulgated under the Securities Act of 1933, as amended, consisting of a bank, insurance company, registered investment company, business development company, or small business investment company.

DATED this 15th of May, 2019.

SEACOAST NATIONAL BANK

By:_____
Name: Sarah Lynch
Title: Vice President, Commercial Banker

EXHIBIT C

FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with the City of Stuart, Florida (the "Issuer") for the private purchase of its not to exceed $1,500,000 City of Stuart, Florida Public Utility Special Obligation Bond Anticipation Note, Series 2019 (the "Bond Anticipation Note "). Prior to the award of the Bond Anticipation Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Purchaser") in connection with the issuance of the Bond Anticipation Note (such fees and expenses to be paid by the Issuer):

Greenspoon Marder LLP
Purchaser Counsel Fee -- $5,500

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Bond Anticipation Note to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Purchaser, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Bond Anticipation Note.

3. The amount of the underwriting spread expected to be realized by the Purchaser is $0.

4. The management fee to be charged by the Purchaser is $0.

5. Truth-in-Bonding Statement:

The Bond Anticipation Note is being issued to finance and/or reimburse a portion of the costs of the Project.

Unless earlier prepaid, the Bond Anticipation Note is expected to be repaid on May 15, 2020. At the initial fixed interest rate of 3.22% (which is subject to adjustment as provided therein) and assuming the entire available principal amount is drawn on the date hereof, total interest paid over the life of the Bond Anticipation Note is estimated to be $49,105.

The Bond Anticipation Note will be payable solely from a pledge of the Pledged Revenues as described in a resolution of the Issuer adopted on May 13, 2019 (the "Resolution"). See the Resolution for a definition any other capitalized terms not otherwise defined herein. Issuance of the Bond Anticipation Note is estimated to result in average annual revenues of the Issuer of approximately $1,549,105 not being available to finance the other services of the Issuer during the life of the Bond Anticipation Note assuming the entire available principal amount is drawn on the date hereof. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

6. The name and address of the Purchaser is as follows:

Seacoast National Bank
815 Colorado Avenue
Stuart, Florida 34994

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Purchaser this 15th day of May, 2019.

SEACOAST NATIONAL BANK

By:_____
Name: Sarah Lynch
Title: Vice President, Commercial Banker

EXHIBIT D

FORM OF REQUISITION

City of Stuart, Florida
Public Utility Special Obligation Bond
Anticipation Note, Series 2019 (the "Bond Anticipation Note")

Seacoast National Bank
815 Colorado Avenue
Stuart, Florida 34994
Attention: Sarah Lynch, Vice President

REQUISITION FOR PAYMENT

Amount Requested:	$_____
Aggregate Amount of Prior Draws:	$_____
TOTAL:	$_____

1. Unless otherwise noted, all capitalized terms herein shall have the meanings assigned to them in the Resolution No. __- 2019 adopted by the City Commission of the City of Stuart, Florida (the "Issuer") on May 13, 2019 (the "Resolution").

2. The Issuer hereby certifies that proceeds from this Requisition have been or will be used to pay for the costs of the Project (as such term is defined in the Resolution) and/or the costs of issuance of the Bond Anticipation Note.

This _____ day of _____, 20___.

CITY OF STUART, FLORIDA

By:_____
Name:_____
Title: Financial Services Director