

RESOLUTION NO. 14-05

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SPRINGFIELD, FLORIDA, AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INTERLOCAL AGREEMENT WITH BAY COUNTY, FLORIDA AND THE CITIES OF PARKER AND CALLAWAY PROVIDING FOR WHOLESALE WASTEWATER TREATMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TREATMENT CONTRACT WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE:

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SPRINGFIELD, FLORIDA:

SECTION 1. FINDINGS

(A) The City of Springfield, Florida (the "City") has previously entered into an agreement (the "Existing Interlocal Agreement", as more fully described herein) with the Cities of Parker and Callaway and Bay County, Florida, to construct a wastewater treatment facility to be owned by the City and each of the aforesaid entities (collectively, the "Owners") and operated by an operator for the benefit of the Owners and to provide wholesale wastewater treatment services to such Owners and their citizens (such treatment plant, together with certain other improvements described in said Existing Interlocal Agreement being referred to herein as the "System").

(B) In connection with the transactions contemplated by said Existing Interlocal Agreement, the City has previously entered into a Treatment Contract (the "Prior Treatment Contract") evidencing the City's obligation to make payments required by the terms of the Existing Interlocal Agreement.

(C) In connection with the transactions contemplated by the Existing Interlocal Agreement, the City authorized the City of Callaway and Bay County, Florida (the "Issuer") to jointly issue bonds (the "Series 2004 Bonds") for purposes of refinancing the acquisition and construction of the System, refunding certain outstanding indebtedness and financing certain other costs described in the Existing Interlocal Agreement.

(D) The City has been informed that the Issuer intends to issue its Wastewater Revenue Refunding Note, Series 2014 (the "2014 Note") to achieve certain debt service savings,

and desires in connection therewith to amend the Existing Interlocal Agreement and the Prior Treatment Contract in certain respects.

SECTION 2. DEFINITIONS. Capitalized terms used in this Resolution shall have the meanings set forth in the Existing Interlocal Agreement, except as otherwise provided herein.

SECTION 3. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 166, Florida Statutes, the City Charter of the City of Springfield and other applicable provisions of law. This Resolution shall repeal or supersede any and/or all Charter provisions, ordinances or resolutions, or portions thereof, in conflict herewith.

SECTION 4. AUTHORIZATION OF EXECUTION OF SECOND SUPPLEMENTAL INTERLOCAL AGREEMENT. The City hereby authorizes and directs the Mayor to execute, and the City Clerk to attest under the corporate seal of the City, the Second Supplemental Interlocal Agreement and to deliver the Second Supplemental Interlocal Agreement to the other parties thereto, and does hereby authorize and direct the execution, sealing and delivery of the Second Supplemental Interlocal Agreement. All of the provisions of the Second Supplemental Interlocal Agreement, when executed and delivered by the other parties thereto, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein, and the Second Supplemental Interlocal Agreement shall be in substantially the form of the Second Supplemental Interlocal Agreement attached hereto as Exhibit A with such changes, amendments, modifications, omissions and additions, including the date of such Second Supplemental Interlocal Agreement, as may be approved by said Mayor. Execution by the Mayor of the Second Supplemental Interlocal Agreement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 5. AUTHORIZATION OF EXECUTION OF SUPPLEMENTAL TREATMENT CONTRACT. The City hereby authorizes and directs the Mayor to execute, and the City Clerk to attest under the corporate seal of the City, the Second Supplemental Wastewater Treatment Contract (the "Supplemental Treatment Contract") and to deliver the Supplemental Treatment Contract to Bay County, Florida, as the operator of the System (the "Operator"), and does hereby authorize and direct the execution, sealing and delivery of the Supplemental Treatment Contract. All of the provisions of the Supplemental Treatment Contract, when executed and delivered by the City as authorized herein and when duly authorized, executed and delivered by the Operator, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein, and the Supplemental Treatment Contract shall be in substantially the form of the Supplemental Treatment Contract attached hereto as Exhibit B with such changes, amendments, modifications, omissions and additions, including the date of such Supplemental Treatment Contract, as may be approved by said Mayor. Execution by the Mayor of the Supplemental Treatment Contract shall be deemed to be conclusive evidence of approval of such changes.

SECTION 6. GENERAL AUTHORITY. The members of the City Commission of the City and the officers, attorneys and other agents or employees of the City are hereby authorized to do all acts and things required of them by this Resolution, the Interlocal

Agreement, the Treatment Contract, or the documents securing the Series 2014 Note, or desirable or consistent with the requirements hereof or the Interlocal Agreement, the Treatment Contract, or the documents securing the Series 2014 Note for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Interlocal Agreement, the Treatment Contract, or the documents securing the Series 2014 Note, and each member, employee, attorney and officer of the City is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.


SECTION 7. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Interlocal Agreement.

SECTION 8. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

The Mayor thereupon declared this Resolution duly passed and enacted on this 2nd day of June, 2014.

CITY OF SPRINGFIELD, FLORIDA

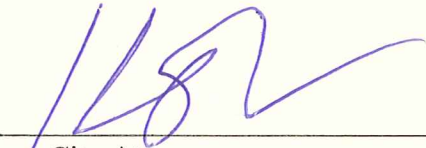
(SEAL)

By: 

Mayor

ATTEST:

APPROVAL AS TO FORM AND CONTENT:

By: 

City Attorney

APPENDIX A
SECOND SUPPLEMENTAL INTERLOCAL AGREEMENT

APPENDIX B

SECOND SUPPLEMENTAL TREATMENT CONTRACT

SECOND SUPPLEMENTAL WASTEWATER TREATMENT CONTRACT

THIS SECOND SUPPLEMENTAL WASTEWATER TREATMENT CONTRACT (the "Supplemental Treatment Contract") is made and dated as of the 1st day of June, 2014, by and between Bay County, Florida, acting through its Board of County Commissioners (the "Operator") as the operator of the System pursuant to the Military Point Advanced Wastewater Treatment Facility Interlocal Agreement dated as of September 12, 1996, as amended (the "Owner Interlocal Agreement") and the City of Springfield, Florida (the "Customer");

WHEREAS, the Operator and Customer are parties to the Owner Interlocal Agreement, and have previously entered into that certain Wastewater Treatment Contract (the "Prior Treatment Contract"), dated October 1, 1996, as supplemented by the First Supplemental Wastewater Treatment Contract, dated December 1, 2004, setting forth the terms and conditions in which the Customer pays for committed wastewater treatment capacity and for wastewater treatment services for wastewater collected by the Customer from its customers located within its municipal limits and service area (the "Collection System"); and

WHEREAS, the City of Callaway, Florida and Bay County, Florida (jointly, the "Issuer") have previously issued their Wastewater System Revenue Refunding Bonds, Series 2004 (the "Series 2004 Bonds"), the proceeds of which were loaned to the Operator to repay certain indebtedness and to finance the cost of certain improvements to the System, which Series 2004 Bonds are secured in part by payments made pursuant to the Prior Treatment Contract; and

WHEREAS, the Issuer desires to refund the Series 2004 Bonds by means of issuance of its Wastewater System Revenue Refunding Note, Series 2014 (the "Series 2014 Note"), in order to achieve certain debt service savings; and

WHEREAS, the Operator and the Customer desire to amend and supplement the Prior Treatment Contract to reflect such refinancing and provide for the pledge of amounts due under the Treatment Contract for the benefit of the Series 2014 Note, and to modify certain covenants contained in the Prior Treatment Contract;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, it is agreed by and between the parties hereto as follows:

SECTION 1. DEFINITIONS. Except as otherwise set forth herein, capitalized terms used herein shall have the meanings set forth in the Prior Treatment Contract and in the Second Supplemental Trust Indenture, dated as of June 1, 2014, entered into by the Issuer and U.S. Bank National Association, as trustee, in connection with the issuance of the Series 2014 Note.

SECTION 2. WASTEWATER RATES AND CHARGES. Section 5a of the Prior Treatment Contract is hereby amended to read as follows: The Customer agrees to pay to the

Operator, for wastewater treatment services, a monthly Treatment Rate that consists of the Operation and Maintenance Fee Component, the Debt Service Component, the Renewal and Replacement Component, the Rate Reserve Component and such amount as is necessary to cover a payment event under Section 5.29 (iii) of the Owner Interlocal Agreement.

- a. Debt Service Component. The Debt Service Component shall be charged monthly and is a sum equal to the Customer's share of Debt Service as calculated on a monthly basis. The Customer's share of Debt Service is determined by adding the portions of the Debt Service due and payable pursuant to the Loan Agreement and the SRF Loan Agreement, all as set forth in the Owners Interlocal Agreement and (i) and (ii) below:
- (i) As to that portion of the Debt Service due and payable pursuant to the Loan Agreement for the net proceeds of the Series 2014 Note, an amount equal to \$ _____ which relates to the portion of the Series 2004 Bond proceeds that were used for the benefit of the Customer, all as shown on Exhibit A attached hereto and incorporated herein by reference; plus
 - (ii) As to that portion of the Debt Service due and payable pursuant to the SRF Loan Agreement for the net proceeds of the SRF loan, an amount equal to the sum of the Debt Service due on an amount equal to \$ _____ of loan proceeds that were used for the benefit of the Customer based on the percentages shown on Exhibit A, pursuant to the initial loan agreement dated September 30, 1996, and subsequent SRF loans received to fund portions of the 1996 Project on behalf of the Customer.

The Debt Service Component shall be adjusted, from time to time, to reflect:

- (i) Debt Service on subsequent additional Secured Indebtedness, and
- (ii) prepayment by the Customer as provided below.

The Customer may reduce its Debt Service Component by prepaying debt allocated to said Customer, including any negative arbitrage costs associated with prepaying debt related to the Series 2014 Note, in accordance with the definition of "Debt Service" as set forth in the Owner Interlocal Agreement. The prepaying Customer shall be responsible for all costs and expenses reasonably incurred by the Operator, the Issuer or the obligor in connection with such prepayment.

- b. Rate Reserve Component. The Rate Reserve Component shall be calculated and charged monthly by multiplying the Customer's Debt Service Component for that month by .15 (15/100th); provided, that for purposes of this subsection b, "Debt

Service Component" shall be deemed to exclude any debt service or Indebtedness other than the Indebtedness evidenced by the Second Loan Agreement to the extent the Rate Reserve Component attributable to the Indebtedness evidenced by the Second Supplemental Loan Agreement exceeds the amount of the Rate Reserve Component which would be attributable to any other secured Indebtedness.

SECTION 3. PRIOR TREATMENT CONTRACT TO REMAIN IN EFFECT. In the extent amended hereby, the Prior Treatment Contract shall remain in full force and effect.

SECTION 4. SEVERABILITY. If for any reason whatever, any part of this Supplemental Wastewater Treatment Contract is determined to be invalid or unenforceable, the remainder of this Second Supplemental Wastewater Treatment Contract shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have placed their hands and seal as of the date first above written.

OPERATOR:

BAY COUNTY, FLORIDA, acting by and through its Board of County Commissioners

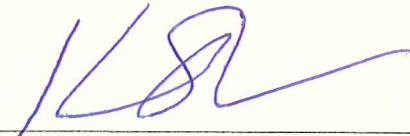
Attest:

Approved as to form and legality:

County Attorney

Attest:

Approved as to form and legality:



Chairman

Date Approved: June 3, 2014

CUSTOMER:

CITY OF SPRINGFIELD, FLORIDA



Mayor

EXHIBIT A

	<u>Callaway</u>	<u>Parker</u>	<u>Springfield</u>
Bonds	24.257%	14.298%	40.325%
SRF Loan	31.326%	10.994%	18.040%