

Memorandum



Date: July 21, 2009

Agenda Item No. 8(E)(1)(A)

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of George M. Burgess.

Subject: Resolution Authorizing a Loan Agreement with Regions Bank

Recommendation

It is recommended that the Board of County Commissioners adopt the attached Resolution appointing Regions Bank (Regions) as a line of credit provider under a Loan Agreement for Interim Financing as defined in an amending and restating Ordinance (Interim Financing Ordinance), being considered concurrently by the Board, regarding a \$400 million Commercial Paper program for the Miami-Dade Water and Sewer Department (WASD).

Regions will provide a revolving line of credit not to exceed \$100 million. The interest on the line of credit will be secured by a subordinate lien on Pledged Revenues with the intent of using the proceeds of WASD revenue bonds authorized in the Interim Financing Ordinance, in an amount not to exceed \$800 million, to pay off the principal balance on the line of credit. If the line of credit is converted to a term loan, the principal and interest on the loan will be secured by a subordinate lien on Pledged Revenues.

Scope

The impact of this item is countywide. The implementation of an Interim Financing program will provide WASD with the temporary financing it needs to continue to make capital improvements to its infrastructure according to its Capital Improvements Program (CIP), in anticipation of the issuance of additional long-term revenue bonds.

Fiscal Impact/Funding Source

The projects financed with line of credit proceeds are included in the FY 2008-09 adopted budget and multi-year capital improvement plan. The revolving line of credit is for a two-year term and at a variable interest rate (equal to 63.7 percent of the one-month London interbank offering rate (LIBOR)) plus 1.30 percent on the portion drawn and 0.20 percent (per year) on the unutilized portion (not drawn). At the end of the term, the County will have the option to take out the outstanding line of credit by issuing bonds or to enter into a term loan. If the line of credit is converted to a term loan, it will bear interest at a variable rate equal to 100 percent of the one-month LIBOR plus 2.50 percent. The term for the term loan will be three years with 36 equal payments.

The fiscal impact will be to WASD and its customers. The Interim Financing provides the County with immediate access to construction funds at short-term interest rates until the County issues Bonds. The utilization of low cost Interim Financing during construction will have a short-term positive impact on the water and sewer rates charged to customers and mitigate the rate impact of new capital projects. This financing mechanism has been very successful in reducing the cost of borrowing for the Miami-Dade Aviation Department's Capital Improvement Plan (CIP).

Background

On November 16, 1993, the Board enacted Ordinance No. 93-134, as amended and supplemented (Master Ordinance), authorizing the issuance of water and sewer system revenue bonds. On November

20, 2008, the Board enacted Ordinance No. 08-126 (Original Ordinance) which authorized the issuance of the Commercial Paper Notes (CP Notes) and bonds.

Concurrently, the Board is considering an Interim Financing Ordinance which amends and restates the Original Ordinance to add the option of utilizing lines of credit as an alternative to CP Notes (lines of credit and together with the CP Notes, referred to as Interim Financing). It authorizes the entering into one or more Interim Financings, subject to the limitation that the Interim Financing not exceeds \$400 million outstanding at any one time for the purpose of (i) paying a portion of the costs of the CIP Projects; and/or (ii) paying interest and principal on the CP Notes or interest on the lines of credit.

The Loan Agreement (Exhibit A) and Note associated with the Loan Agreement (Exhibit B) are attached in substantial form. This Resolution authorizes the Finance Director to execute the Loan Agreement and authorizes the County Mayor or designee to execute the Note on behalf of the County.

Pursuant to the Original Ordinance and through a competitive request for proposals, Regions proposes to provide WASD a line of credit under its Interim Financing program, to include:

1. \$100 million revolving line of credit. The line of credit is a direct loan payable to Regions.
2. Term is for 24 months.
3. Interest Rate:
 - On any portion drawn on the line of credit is a tax exempt rate of 63.7 percent, one-month LIBOR plus 1.30 percent set for each monthly period. (As of April 24, 2009, the indicative variable rate using the formula was 1.58 percent).
 - On any unused portion of the line of credit is 0.20 percent.
4. Term Out Feature: Upon the expiration of the original 24 month term, the County may choose to convert the outstanding balance of the line of credit to a term loan or may pay the outstanding balance. If the County chooses to convert to a term loan, it shall be under the following terms and conditions:
 - Term out is the earlier of three years or August 1, 2014.
 - The rate on this borrowing will be variable and established based upon one-month LIBOR plus 2.50 percent. This rate will change monthly on the first of each month.
 - Repayment will be approximately 36 equal monthly payments.
 - Security will be subordinate pledge of the net operating revenues of the water and sewer system.
5. The County must deposit \$25 million in an interest earning account with Regions.
6. Must close on or before August 3, 2009.

This line of credit will be an Interim Financing of WASD to be repaid through the issuance of water and sewer revenue bonds. *The details of any issuance of Bonds shall be determined pursuant to subsequent resolution(s) adopted by the Board.*

Entering into the Loan Agreement with Regions will expose the County to the following risks:

- Variable Rate Risk: As of April 24, 2009, the indicative variable rate was 1.58 percent. Since this is a variable rate and changes the first of each month, the rate may increase significantly. Based on the above formula, as of June 16, 2009 the indicative variable rate would be 1.50 percent. Using the average one-month LIBOR rate since September 1989, the indicative variable rate would be 4.13 percent.
- Market Access Risk: The County anticipates using bond proceeds to pay the outstanding line of credit on the termination date/Initial Maturity Date. The County may be unable to sell bonds in the bond market if, at that time, WASD is experiencing financial, legal, or capacity problems; or

the bond market has been shut down due to a national emergency, a national financial crisis or lack of investors of water and sewer debt. If this was to occur, the County would be subject to converting to a term loan with approximately 36 equal monthly payments of \$2,777,778 plus 100 percent of one-month LIBOR plus 2.50 percent. Such a payment would be material to the water and sewer system. It should be noted the County has market access risk whenever it needs to access the market, even in the absence of this Interim Financing.

Resolution No. R-130-06 provides that any County contract with a third party be finalized and executed prior to its placement on the committee agenda. The execution of the Loan Agreement and Note, which set the final terms of this Interim Financing, will not occur until after the effective date of this Resolution. Terms of this Interim Financing are set forth above. Therefore, a waiver of Resolution R-130-06 is necessary.



Assistant County Manager

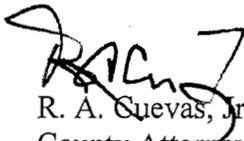


MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: July 21, 2009

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(E)(1)(A)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Mayor's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor

Agenda Item No. 8(E)(1)(A)
7-21-09

Veto _____

Override _____

RESOLUTION NO. _____

RESOLUTION AUTHORIZING ENTERING INTO LINE OF CREDIT WITH REGIONS BANK, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000 OUTSTANDING AT ANY ONE TIME, AS INTERIM FINANCING IN ANTICIPATION OF ISSUANCE OF MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE BONDS; APPROVING FORMS OF LOAN AGREEMENT AND NOTE AND AUTHORIZING ISSUANCE OF NOTE AND EXECUTION AND DELIVERY OF LOAN AGREEMENT AND NOTE; PROVIDING FOR SECURITY; PROVIDING FOR APPLICATION OF PROCEEDS; AUTHORIZING COUNTY OFFICIALS TO DO ALL THINGS NECESSARY; AND PROVIDING FOR SEVERABILITY

WHEREAS, the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County"), acting pursuant to the authority cited in Section 1, owns and operates water and wastewater treatment plant facilities and a distribution and collection system and pursuant to such authority and Ordinance No. 93-134, enacted by the Board on November 16, 1993, as amended and supplemented (the "Master Ordinance"), the County is authorized to issue revenue bonds from time to time; and

WHEREAS, on this date, the Board has enacted an ordinance (the "Interim Financing Ordinance") authorizing the Interim Financing in connection with the CIP Projects in anticipation of the issuance of the Bonds and authorizing the issuance of the Bonds (as all such terms are defined in the Interim Financing Ordinance), all as more particularly described in the Interim Financing Ordinance; and

WHEREAS, in accordance with the authorization of the Interim Financing Ordinance, the County desires to enter into a Line of Credit in an aggregate principal amount not to exceed

\$100,000,000 outstanding at any one time (the "Regions Line of Credit") with Regions Bank (the "Bank"), which Regions Line of Credit shall constitute an Interim Financing under the Interim Financing Ordinance; and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum (the "County Manager's Memorandum"), a copy of which is incorporated in this resolution by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. Authority. This resolution is adopted pursuant to the provisions of the Constitution of the State of Florida, the Home Rule Amendment and Charter of Miami-Dade County, Florida, Chapters 125 and 166, Florida Statutes, as amended, Section 215.431, Florida Statutes, as amended, the Code of Miami-Dade County, Florida, as amended, and other applicable provisions of law (collectively, the "Act").

Section 2. Definitions. Terms used in capitalized form and not defined herein have the meanings assigned to such terms in the Interim Financing Ordinance or the Master Ordinance.

Section 3. Findings. The recitals contained in the foregoing "WHEREAS" clauses are incorporated as findings in this resolution by this reference.

Section 4. Authorization of Regions Line of Credit. Under the authority of the Act and the provisions of the Interim Financing Ordinance and this resolution, the County is authorized to enter into the Regions Line of Credit in an aggregate principal amount not to exceed \$100,000,000 outstanding at any one time, for the purpose of paying a portion of the Costs of the CIP Projects, including paying interest on the Note (hereinafter defined) and costs

and expenses incurred in connection with the Regions Line of Credit, the terms of which Regions Line of Credit are more specifically set forth in the Loan Agreement (hereinafter defined).

Section 5. Approval of Loan Agreement. A loan agreement to be entered into between the County and the Bank in connection with the Regions Line of Credit (the "Loan Agreement") in substantially the form attached as Exhibit A to this resolution, with such additions, deletions and completions as may be necessary and approved by the Finance Director, as the County Mayor's designee, after consultation with the Director, Public Resources Advisory Group, the County's financial advisor (the "Financial Advisor"), the County Attorney and Squire, Sanders & Dempsey L.L.P., assigned by the County to serve as special bond counsel in connection with the Interim Financing ("Bond Counsel"), is approved by the Board. The Board authorizes the execution of the Loan Agreement by the Finance Director and the delivery of the Loan Agreement to the Bank, such execution and delivery being conclusive evidence of the Board's approval of any such additions, deletions and completions.

Section 6. Issuance of Note. The issuance of a tax exempt note evidencing the County's obligations under the Loan Agreement (the "Note") in substantially the form attached as Exhibit B to this resolution, with such additions, deletions and completions as may be necessary and approved by the Finance Director, as the County Mayor's designee, after consultation with the Director, the Financial Advisor, the County Attorney and Bond Counsel, is approved by the Board. The Board authorizes the execution of the Note by the County Mayor, which may be by facsimile signature, the attestation of the Note by the Clerk under the seal of the County and the delivery of the Note to the Bank, such execution, attestation and delivery being conclusive evidence of the Board's approval of any such additions, deletions and completions.

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Section 7. Security and Payment. The Loan Agreement and the Note shall be limited special obligations of the County secured and payable as provided thereunder. Neither the Loan Agreement nor the Note constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or power of the County, the State of Florida or any political subdivision of the State of Florida, within the meaning of any constitutional, statutory or charter provision. Neither the State of Florida nor any political subdivision of the State of Florida nor the County shall be directly or indirectly or contingently obligated to levy any ad valorem taxes on any property to pay the principal of or the interest or other related payments or costs under the Loan Agreement or the Note, or to pay the same from any other funds of the County except from the sources provided under the Loan Agreement. The execution of the Loan Agreement by the Bank and the acceptance of the Note by the Bank shall be deemed an agreement between the County and the Bank that the Loan Agreement and the Note and the indebtedness evidenced thereby shall not constitute a lien upon the Water and Sewer Utility, any part of the Water and Sewer Utility, or any other property of the County, but shall constitute a subordinate lien only on the Pledged Revenues as provided in the Loan Agreement.

Section 8. Disposition of Proceeds. The proceeds advanced under the Regions Line of Credit shall be deposited into a special account established and held by the Department and designated the "Regions Line of Credit Proceeds Account" and applied to the payment of Costs of the CIP Projects, including paying interest on the Note and costs and expenses incurred in connection with the Regions Line of Credit, as determined by the Department. Pending such application, such proceeds may be invested in accordance with the County's investment policy.

Section 9. Authorization of Further Actions; Additional Covenants and Agreements.
The County Mayor, the County Manager, the Director, the Finance Director, the County

Attorney, the Clerk and other officers, employees and agents of the County are authorized and directed to do all acts and things and to execute, deliver and file any and all documents and certificates which they deem necessary or advisable in order to enter into the Regions Line of Credit and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Loan Agreement and the Note, including any documents and certificates required in connection with the exclusion from gross income for federal income tax purposes of interest on the Note. In the event that the County Mayor, the County Manager, the Director, the Finance Director, the Clerk or the County Attorney is unable to execute and deliver the documents contemplated in this resolution, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the County.

Section 10. Severability; Resolution Controlling. In case any one or more of the provisions of this resolution or any document approved by this resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this resolution or such document, as the case may be, and such other provisions shall be construed and enforced as if such illegal or invalid provision had not been contained in this resolution or such document. All or any part of any resolutions or proceedings in conflict with the provisions of this resolution are to the extent of such conflict repealed or amended to the extent of such inconsistency.

Section 11. Governing Law. The Note is to be issued and this resolution is adopted and the Loan Agreement and such other documents necessary in connection with the Regions Line of Credit shall be executed and delivered with the intent that the laws of the State of Florida shall govern their construction.

EXHIBIT A
LOAN AGREEMENT

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EXHIBIT "A"

LOAN AGREEMENT

BETWEEN

MIAMI-DADE COUNTY, FLORIDA

AND

REGIONS BANK

DATED AS OF

AUGUST 3, 2009

RELATING TO:

***\$100,000,000 LINE OF CREDIT FOR THE
MIAMI-DADE WATER AND SEWER DEPARTMENT***

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LOAN AGREEMENT

This Loan Agreement (the "**Agreement**") dated as of August 3, 2009 (the "**Closing Date**"), is between REGIONS BANK (the "**Bank**") and MIAMI-DADE COUNTY, FLORIDA, a political subdivision of the State of Florida (the "**County**").

1. LINE OF CREDIT AMOUNT AND TERMS

1.1 Line of Credit Amount.

- (a) During the Availability Period described below, the Bank will provide a line of credit to the County (the "**Facility**") for the sole benefit of the Miami-Dade Water and Sewer Department (the "**Department**"). The amount of the line of credit (the "**Commitment**") is \$100,000,000.00.
- (b) This is a revolving line of credit. During the Availability Period (as defined below), the County may repay principal amounts and reborrow them.
- (c) The County agrees not to permit the principal balance outstanding to exceed the Commitment. If the County exceeds this limit, the County will immediately pay the excess to the Bank.

1.2 Availability Period.

- (a) The Facility is available (the "**Availability Period**") between the date of this Agreement and the earlier to occur of (1) the occurrence of an Event of Default, (2) December 31, 2010, (3) date on which the aggregate draws exceed \$100,000,000, unless and until those items described in Section 1.2(b) below are delivered, or (4) such earlier date as the Availability Period may terminate as provided in this Agreement (the "**Facility Expiration Date**").
- (b) The Availability Period will expire once the total aggregate draws under this Facility are equal to \$100,000,000.00, regardless of (1) the principal amount outstanding at such time (even if less than Commitment), and (2) any repayments that may be made or have been made to the Bank under the Facility, unless and until the County's Bond Counsel provides an opinion, and any additional documentation, all satisfactory to the Bank in its sole discretion, that the interest paid by the County on the Tax Exempt Note dated of even date herewith evidencing the County's obligation to the Bank pursuant to this Agreement (the "**Note**") during the remaining Availability Period and during any subsequent Term Loan Period (defined below) is excludable from gross income of the holder or holders thereof and provides those opinions set forth in Section 5.5(b)(3) of this Agreement.

1.3 Repayment Terms.

- (a) The County will pay interest on September 1, 2009, and then on the first day of each month thereafter until payment in full of any principal outstanding under the Note and this Agreement.
- (b) The earlier to occur of (1) an Event of Default, or (2) August 3, 2011 shall be the "**Initial Maturity Date**". Subject to Section 1.3(c) below, the County will repay the outstanding principal amount, plus all accrued interest thereon, on the Initial

Maturity Date. The Bank may, in its sole and absolute discretion, extend the Initial Maturity Date, provided, however, such extension will not extend the Maturity Date (as defined below) beyond August 1, 2014. Any extension of the Initial Maturity Date by the Bank shall cause the principal amount outstanding under the Note to accrue interest at the Term Loan Rate or Default Rate (as such terms are hereinafter defined), as applicable.

- (c) On the Initial Maturity Date, subject to Section 1.3(e) below, the County may convert the principal amount outstanding (the "**Term Loan Amount**") on such date (the "**Term Loan Conversion Date**") into a term loan (the "**Term Loan**"). Unless an Event of Default has occurred, the County will provide written notice to the Bank no later than sixty (60) days prior to the Initial Maturity Date (as such date may be extended as provided by Section 1.3(b) above), that it intends to utilize the Term Loan.
- (d) The County shall repay the Term Loan Amount in equal monthly installments beginning on the date one month after the Term Loan Conversion Date, and on the same day of each month thereafter, and ending on the date (the "**Maturity Date**") occurring on the earlier to occur of (1) three years after the Term Loan Conversion Date, or (2) August 1, 2014 (the "**Term Loan Period**"), unless an Event of Default as described in Section 1.3(e) below occurs. Each principal installment shall be in an amount sufficient to fully amortize the Term Loan Amount over the Term Loan Period, pursuant to a schedule prepared by the Bank. The County will pay accrued interest on the Term Loan Amount outstanding on the date that is one month after the Initial Maturity Date and on the same day of each month thereafter at the Term Loan Rate, or at the Default Rate, if such Term Loan Conversion Date is effected as a result of an Event of Default hereunder. On the Maturity Date, the County will repay the remaining principal balance plus all accrued interest then due. The County may prepay the Term Loan Amount in full or in part at any time without penalty. Any partial prepayment will be applied to the most remote payment of principal due under this Agreement. If an Event of Default occurs during the Term Loan Period, except with respect to those events described in Section 1.3(e) below, interest shall accrue on the Term Loan Amount at the Default Rate.
- (e) Notwithstanding anything to the contrary contained herein, if an Event of Default under Sections 9.1(d), 9.1(e), 9.1(i) occurs, or the Bank effects its remedies under Section 9.2(f), all amounts outstanding hereunder shall be immediately due and payable by the County in accordance with Section 9.2(e) or (f), and furthermore, the date of occurrence of such an Event of Default shall be deemed the last day of the Term Loan Period and the Maturity Date herein and under the Note.

1.4 Interest Rate.

- (a) The interest rate on this Facility from the date of this Agreement until the Initial Maturity Date is a rate per year equal to 63.70% of LIBOR plus 130 basis points (1.30%). During the Term Loan Period the interest rate on the principal amount outstanding shall be 100% of LIBOR plus 250 basis points (2.50%); provided, however, the Term Loan Rate shall be increased by (1) 15 basis points (0.15%) for each Notch Downgrade below "A1" by Moody's or "A+" by Standard & Poor's or Fitch, respectively, in the underlying long-term ratings of the Bonds (as defined in the Master Ordinance), plus (2) an additional 100 basis points (1.00%) should any Rating Agency (as defined in the Master Ordinance) withdraw or

suspend its underlying long-term rating of the Bonds or if any Rating Agency lowers its underlying long-term rating of the Bonds to below investment grade. After any increase in the Term Loan Rate caused by a Notch Downgrade, the Term Loan Rate shall be decreased by 15 basis points (0.15%) for each Notch Upgrade by any Rating Agency in the underlying long-term ratings of the Bonds; provided, however the Term Loan Rate shall never be less than LIBOR plus 2.50% per annum. In the event of a split rating by any Rating Agency, the lower rating will prevail for purposes of calculating the Term Loan Rate. Any adjustment required in the Term Loan Rate shall be effective as of the date of such Notch Downgrade, Notch Upgrade or rating withdrawal or suspension, as applicable (the "*Term Loan Rate*"). During the occurrence and continuation of an Event of Default, the interest rate shall be set at the Default Rate. For purposes of this Section the following definitions apply:

- (i) "*Notch Downgrade*" means the long-term ratings downgrade evidenced by the removal or change of a modifier or numerical qualifier. For example, a downgrade from A- to BBB+ is a Notch Downgrade, as is a downgrade from BBB+ to BBB. Similarly, a downgrade from A3 to Baa1 or from Baa1 to Baa2 is a Notch Downgrade.
 - (ii) "*Notch Upgrade*" means the long-term ratings upgrade evidenced by the addition or change of a modifier or numerical qualifier. For example, an upgrade from BBB+ to A- is a Notch Upgrade, as is an upgrade from BBB to BBB+. Similarly, an upgrade from Baa1 to A3 or from Baa2 to Baa1 is a Notch Upgrade.
- (b) The interest rate will be adjusted on the 1st day of every month, and, if applicable, on the date of any Notch Upgrade or Notch Downgrade (the "*Adjustment Date*"), except with respect to the initial Adjustment Date which will occur on the Closing Date, and remain fixed until the next Adjustment Date. The Bank will determine the LIBOR Rate that will be in effect as of the Adjustment Date; however, if the Adjustment Date is not a banking day, then the Bank will determine the LIBOR Rate that will be in effect as of the banking day immediately following the Adjustment Date. Changes in the interest rate on the Facility will be effective as of the Adjustment Date.
- (c) "*LIBOR*" or "*LIBOR Rate*" shall mean a per annum rate (rounded upward, if necessary, to the next higher 1/100th of 1.0%) published by Bloomberg (or such other commercially available source providing quotations of LIBOR as designated by the Bank from time to time) as the London interbank offered rate for deposits in United States dollars having a one month maturity, as determined by the Bank with reference to the financial information reporting service used by the Bank at the time of such determination, or if the above method for determining LIBOR will not be available, a rate determined by a substitute method of determination agreed on by the County and the Bank; provided, if such agreement is not reached within a reasonable period of time (in the Bank's judgment), a rate reasonably determined by the Bank as a rate being paid, as of the determination date, by first class banking organizations (as determined by the Bank) in the London interbank market for U.S. Dollar deposits. The interest rate change is based on changes in the LIBOR Rate. If, because of the introduction of or any change in, or because of any judicial, administrative, or other governmental interpretation of, any applicable law or regulation, it becomes unlawful for Bank to make, fund, or maintain any advance or balance at a rate

based on the LIBOR Rate, then Bank's obligation to make, fund, or maintain any such advance or balance shall terminate and any such affected outstanding advance or balance shall bear interest at a rate equal to the prime rate of the Bank in effect from time to time as designated by the Bank (the "**Prime Rate**"), plus any applicable basis points as described herein, with changes in such interest rate to take effect as the Prime Rate changes. The Prime Rate is merely a reference rate and is not necessarily the best or lowest rate offered by the Bank.

- (d) The County may prepay the loan in full or in part at any time without penalty.

1.5 Adjustment to Interest Rate.

- (a) If State of Florida or federal tax laws or regulations are amended, or the County fails to comply with the terms of the Tax Certificate (as defined herein), to cause (i) the interest on the Note to become taxable, or (ii) the federal income tax deduction for state income taxes paid on the interest payments received under the Note to be reduced, or (iii) the Note to lose its eligibility for treatment by financial institutions as a part of their 2% "de minimus" exception under Section 265(b)(7) of the Code (other than as a result of any act or omission by the Bank), or to otherwise decrease the yield on the Note to the Bank (directly or indirectly), then the interest rate on the Note shall be adjusted to cause the yield on such Note to equal what the yield on such Note would have been in the absence of such change or amendment in the tax laws or regulations or failure to comply with the terms of the Tax Certificate.
- (b) If it is determined after the issuance date of the Note that the interest payable on such Note is taxable, the interest rate shall be adjusted to cause the yield on such Note to equal what the yield on such Note would have been had the interest rate on such Note been equal to such taxable rate commencing on the date of issuance of such Note.
- (c) The above adjustments shall be cumulative, but in no event shall the interest rate on a Note exceed the maximum rate permitted by law. Interest on the Notes and all other tax rates and interest rates are expressed as annual rates. However, proper partial adjustment shall be made if any tax law change is effective after the first day of the Bank's (or any successor, assignee or Participant (as defined herein)) tax year or if interest on a Note does not accrue for the entire tax year of the holder of the Note.

2. FEES AND EXPENSES

2.1 Fees.

- (a) Unused Commitment Fee. Commencing on the Closing Date, the County agrees to pay a fee on any difference between the Commitment and the amount of credit it actually uses, determined by the average of the daily amount of credit outstanding during the specified period. The fee will be calculated at .20% per annum.

This fee is due on September 1, 2009, and on the first day of each following month until, and on, the Facility Expiration Date.

- (b) Waiver Fee. If the Bank, at the request of the County, but at the Bank's sole discretion, agrees to waive or amend any terms of this Agreement, the County will, at the Bank's option, pay the Bank a fee for each waiver or amendment in an amount advised by the Bank at the time the County requests the waiver or amendment. Nothing in this paragraph shall imply that the Bank is obligated to agree to any waiver or amendment requested by the County. The Bank may impose additional requirements as a condition to any waiver or amendment.
- (c) Late Fee. To the extent permitted by law, the County agrees to pay a late fee in an amount not to exceed four percent (4%) of any payment that is more than 15 days late. The imposition and payment of a late fee shall not constitute a waiver of the Bank's rights with respect to the default.

2.2 Expenses. The County agrees to immediately repay the Bank for actual reasonable incurred expenses that include, but are not limited to, filing and documentation fees, as applicable.

2.3 Reimbursement Costs. The County agrees to reimburse the Bank for any reasonable expenses it incurs in the preparation of this Agreement and any agreement or instrument required by this Agreement. Expenses include, but are not limited to, reasonable attorneys' fees in an amount not to exceed \$45,000, including any allocated costs of the Bank's in-house counsel to the extent permitted by applicable law.

2.4 Increased Costs.

- (a) If the Bank shall determine that (1) any change in any law or regulation or in the interpretation thereof by any court or administrative or governmental authority (including the Board of Governors of the Federal Reserve System (or any successor)) charged with the administration thereof shall either (A) impose, modify, or deem applicable any reserve (including the maximum reserves with respect to liabilities or assets consisting of Eurocurrency liabilities (as defined in Regulation D of the Board of Governors of the Federal Reserve System)), special deposit or similar requirement against lines of credit issued by, or assets held by, or deposits in or for the account of, or loans made by, the Bank, or (B) impose on the Bank any other condition regarding this Agreement, any advance or any participating interest in any thereof, and (2) the result of any event referred to in the preceding clause (A) or (B) shall be to increase the cost to the Bank of issuing or maintaining this Agreement, or funding draws or funding or maintaining any participating interest in any thereof (which increase in cost shall be determined by the Bank's reasonable allocation of the aggregate of such cost increases resulting from such event), and, to the best of the Bank's knowledge, the Bank requires all similarly situated borrowers to pay such additional amounts, then, upon 30 days prior written notice by the Bank, the County shall pay to the Bank, from time to time as specified by the Bank, additional amounts which shall be sufficient to compensate the Bank for such increased cost, together with interest on such additional amounts, to the extent not paid on the due date specified in such notice, from such due date specified in such notice at the Default Rate. No late fee shall be imposed with respect to such additional amounts. A certificate as to such increased cost incurred by the Bank as a result of any event mentioned in clause (A) or (B) above, prepared in reasonable detail and in accordance with this Section 2.4(a), submitted by the Bank to the County shall be conclusive, absent manifest error, as to the amount thereof. The Bank agrees to give the County written notice of any event referred to in this Section 2.4(a) promptly

after an appropriate officer of the Bank becomes aware of such event; provided, however, that the failure by the Bank to so give such notice shall not affect the obligations of the County under this Section 2.4(a) in respect of any period preceding the date of delivery by the Bank of a certificate of the Bank as to such increased cost.

- (b) If the Bank shall determine that the adoption of any applicable law, rule, or regulation regarding capital adequacy, or change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank or its head office with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has the effect of reducing the rate of return on the Bank's capital as a consequence of its Commitment under this Agreement, its issuance or maintenance of this Agreement or its funding or maintaining any participating interest in any thereof to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the Bank's policies with respect to capital adequacy) by an amount deemed by the Bank or such Participant to be material, and, to the best of the Bank's knowledge, the Bank requires all similarly situated borrowers to pay such additional amounts, then, upon 30 days prior written notice by the Bank, the County shall pay to the Bank, from time to time as specified by the Bank, additional amounts which shall be sufficient to compensate the Bank for such reduction in respect of its commitment under this Agreement, its issuance or maintenance of this Agreement its funding advances or its funding or maintaining any participating interest in any thereof, together with interest on such additional amounts to the extent not paid on the due date specified in such notice, from such due date specified in such notice at the Default Rate. No late fee shall be imposed with respect to such additional amounts. A certificate as to such additional amount describing the event which has the effect of reducing the rate of return on the Bank's capital, prepared in reasonable detail and in accordance with this Section 2.4(b), submitted by the Bank to the County, shall be conclusive, absent manifest error, as to the amount thereof. The Bank agrees to give the County written notice of any event referred to in this Section 2.4(b) which may have the effect of reducing the rate of return on the Bank's capital promptly after an appropriate officer of the Bank becomes aware of such an event; provided, however, that the failure by the Bank to so give such notice shall not affect the obligations of the County under this Section 2.4(b) in respect of any period preceding the date of delivery by the Bank of a certificate of the Bank as to such reduction of the rate of return on capital.

3. SECURITY

- (a) Prior to the Initial Maturity Date, accrued interest on the amount drawn under the Facility, fees and expenses thereon constitute Subordinate Obligations (as defined in the Master Ordinance (defined below)) and are secured by a subordinate pledge of, and lien on, the Pledged Revenues (the "**Pledged Revenues**"), as defined in Ordinance No. 93-134 (as may be amended or supplemented from time to time, the "**Master Ordinance**") enacted by the Board of County Commissioners of the County (the "Board") on parity with the County's obligations under the State Loans (as defined in the Master Ordinance). Additionally, prior to the Initial Maturity Date, the principal amount drawn under the Facility is payable from proceeds of Additional Bonds (as defined in the Master Ordinance) authorized to be issued to pay the costs of repaying or refinancing this

Facility, all as described in Section 4 of Ordinance 09-_____ (the "2009 Ordinance"). On (i) the Initial Maturity Date, but solely upon the occurrence of an Event of Default under Sections 9.1(a) (which results in the Bank effecting its remedies under Section 9.2(f)), 9.1(d), 9.1(e), or 9.1(i), and (ii) the Term Loan Conversion Date and during the subsequent Term Loan Period, until all obligations of the County to the Bank are paid in full, the principal of and accrued interest on the obligations of the County to the Bank under this Agreement, as well as all fees and expenses, will constitute Subordinate Obligations and will be secured by a subordinate lien on the Pledged Revenues on parity with the County's obligations under the State Loans and are also payable from the proceeds of Additional Bonds. The County further covenants that the proceeds of any Additional Bonds, described in the Master Ordinance and the 2009 Ordinance, shall be used to first repay or prepay all amounts outstanding hereunder, prior to the payment or prepayment of any other indebtedness of the County or funding of any additional capital projects of the County.

- (b) Neither this Agreement nor the Note constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or power of the County, the State of Florida or any political subdivision of the State of Florida, within the meaning of any constitutional, statutory or charter provision. Neither the State of Florida nor any political subdivision of the State of Florida nor the County shall be directly or indirectly or contingently obligated to levy any ad valorem taxes on any property to pay the principal of or the interest or other related payments or costs hereunder or under the Note, or to pay the same from any other funds of the County except from the sources provided under this Agreement. The execution of this Agreement by the Bank and the acceptance of the Note by the Bank shall be deemed an agreement between the County and the Bank that this Agreement and the Note and the indebtedness evidenced thereby shall not constitute a lien upon the Water and Sewer Utility (as defined in the Master Ordinance), any part of the Water and Sewer Utility, or any other property of the County, but shall constitute a subordinate lien only on the Pledged Revenues as provided in this Agreement.

4. DISBURSEMENTS, PAYMENTS AND COSTS

4.1 Disbursements and Payments.

- (a) Each payment by the County will be made in U.S. Dollars and immediately available funds by debit to a deposit account as described in this Agreement or as otherwise authorized by the County and agreed to by the Bank. For payments not made by direct debit, payments will be made in accordance with Section 4.1(f) below. For any payment under this Agreement made by debit to a deposit account, the County will maintain sufficient immediately available funds in the deposit account to cover each debit. If there are insufficient immediately available funds in the deposit account on the date the Bank enters any such debit authorized by this Agreement, the Bank may reverse the debit.
- (b) The Bank may honor instructions for advances or repayments given by the County, or by any one of the individuals authorized to sign loan agreements on behalf of the County, or any other individual designated by any one of such authorized signers (each an "*Authorized Individual*") by telephone or telefax of a written loan notice in the form attached hereto as Exhibit A (the "*Loan Notice*"). Any telephonic notice by the County must be confirmed promptly by delivery to the Bank of a written Loan Notice, appropriately completed and signed by such Authorized Individual. Each Loan Notice must be received by the Bank not later

than 11:00 a.m. (prevailing Eastern time) on the requested date (which shall be a banking day) of any advance under the Facility. If not delivered by 11:00 a.m. on such banking day, funds will be available to the County on the next banking day.

- (c) Except with respect to the first draw which shall occur on the Closing Date, each draw shall be in a principal amount of not less than \$5,000,000 unless otherwise agreed to by the Bank.
- (d) Each disbursement by the Bank and each payment by the County will be evidenced by records kept by the Bank and a notation made to the Note. In addition, the Bank may, at its discretion, require the County to sign additional promissory notes for any Participant, assignee or any transferee.
- (e) Prior to the date each payment of principal and interest and any fees from the County becomes due (the "**Due Date**"), the Bank will transmit to the County a statement of the amounts that will be due on that Due Date (the "**Billed Amount**"). The calculations in the bill will be made on the assumption that no new extensions of credit or payments will be made between the date of the billing statement and the Due Date, and that there will be no changes in the applicable interest rate. If the Billed Amount differs from the actual amount due on the Due Date (the "**Accrued Amount**"), the discrepancy will be treated as follows:
 - (i) If the Billed Amount is less than the Accrued Amount, the Billed Amount for the following Due Date will be increased by the amount of the discrepancy. The County will not be in default by reason of any such discrepancy.
 - (ii) If the Billed Amount is more than the Accrued Amount, the Billed Amount for the following Due Date will be decreased by the amount of the discrepancy.

Regardless of any such discrepancy, interest will continue to accrue based on the actual amount of principal outstanding without compounding. The Bank will not pay the County interest on any overpayment, unless as a result of the Bank's gross negligence.

- (f) Except as described in Section 4.1(a) above, all payments of fees and other amounts to the Bank hereunder, not otherwise debited as described herein, shall be made by wire transfer of immediately available funds to Regions Bank, ABA Number: _____, Account Name / No.: _____, Ref: _____.

4.2 **Banking Days.** Unless otherwise provided in this Agreement, a banking day means a day of the year on which banks are not required or authorized to close in Birmingham, Alabama, and a day on which dealings are carried on in the London interbank eurodollar market. All payments and disbursements which would be due on a day which is not a banking day will be due on the next banking day. All payments received on a day which is not a banking day will be applied to the credit on the next banking day.

4.3 **Interest Calculation.** Except as otherwise stated in this Agreement, all interest and fees, if any, will be computed on the basis of a 360-day year and the actual number of days

elapsed. Installments of principal which are not paid when due under this Agreement shall continue to bear interest until paid.

- 4.4 **Default Rate.** Upon the occurrence of any default or after maturity or after judgment has been rendered on any obligation under this Agreement, all amounts outstanding under this Agreement, including any interest, fees, or costs which are not paid when due, will at the option of the Bank bear interest at a rate which is 6.0 percentage points higher than the rate of interest otherwise provided under this Agreement, but not in excess of the maximum rate authorized by law (the "***Default Rate***"). This may result in compounding of interest. This will not constitute a waiver of any default.

5. CONDITIONS

It shall be a condition precedent to the Bank's obligations hereunder that all proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto shall be in form and substance satisfactory to the Bank (the Bank's execution and delivery of this Agreement being conclusive evidence of the Bank's satisfaction therewith) and that the Bank shall have received on or prior to the Closing Date the following items:

5.1 **Authorizations and Incumbency.**

- (a) Evidence that the execution, delivery and performance by the County of this Agreement and any instrument or agreement required under this Agreement have been duly executed and authorized.
- (b) Certificate of the Clerk of the Board with respect to copies of the Master Ordinance, the 2009 Ordinance and Resolution No. ___-09 (collectively, the "***Financing Documents***"), delivered to the Bank and incumbency and signatures of signing officers.

5.2 **Documents.**

- (a) A true and complete original of this Agreement.
- (b) A true and complete original of the Note.
- (c) A true and complete copy of a tax compliance certificate and related attachments (the "***Tax Certificate***").

- 5.3 **Banking Relationship.** Evidence that the covenant set forth in Section 7.4 hereof has been established.

- 5.4 **Payment of Fees.** Payment of all fees and other amounts due and owing to the Bank, including without limitation payment of all accrued and unpaid expenses incurred by the Bank as required by the paragraph entitled "***Reimbursement Costs.***"

5.5 **Legal Opinion.**

- (a) A written opinion addressed to the Bank from the Office of the County Attorney, covering such matters as the Bank may require, including, but not limited to, the due authorization, execution, validity, delivery and enforceability of this Agreement, the Financing Documents, the Note and all related documents to

which the County is a party. The terms of the opinion must be acceptable to the Bank.

- (b) A written opinion addressed to the Bank from Squire, Sanders & Dempsey L.L.P., the County's Bond Counsel, (1) that interest on the Note during the Availability Period and during any subsequent Term Loan Period as described herein is excludable from gross income of the holder or holders thereof, (2) that all draws under the Facility during the Availability Period, subject to Section 1.2(b) of this Agreement, shall be considered a single issue for federal income taxes under Section 150 of the Internal Revenue Code of 1986 (as amended and supplemented, the "*Code*"), the issue date being the date of the initial draw under the Facility, and (3) that this Agreement and the Note are valid and binding agreements, enforceable against the County in accordance with their terms, and duly authorized by the County.

5.6 **Certificate.** A certificate of the Finance Director of the County and the Director of the Department (as such terms are defined in the Master Ordinance), to the effect that all representations and warranties of the County contained or incorporated by reference herein or otherwise made in writing in connection herewith or in the other Financing Documents are true and correct as though such representations and warranties had been made as of the date of this Agreement and that no Event of Default exists under this Agreement.

6. REPRESENTATIONS AND WARRANTIES

When the County signs this Agreement, and until the Bank is repaid in full, the County makes the following representations and warranties. Each request for an extension of credit constitutes a renewal of these representations and warranties as of the date of the request:

6.1 **Formation.** The County is a public body corporate and politic of the State of Florida and has all requisite power and authority (i) to conduct its business, to own its properties and to carry on its activities, (ii) to execute, deliver and perform its obligations under this Agreement, (iii) to issue the Note in the manner and for the purpose contemplated by this Agreement, and (iv) to execute, deliver or adopt, as the case may be, and perform its obligations under all other agreements and instruments executed and delivered by the County pursuant to or in connection with this Agreement.

6.2 **Authorization.** Each authorization, consent, approval, license or formal exemption from, or filing, declaration or registration with, any court, governmental agency or regulatory authority (Federal, state or local) required in connection with the execution and delivery or adoption, as the case may be, and performance by the County of this Agreement or the execution and delivery by the County of the Note or this Agreement in the manner and for the purpose contemplated by this Agreement and the Financing Documents, has been obtained or made and is in full force and effect.

6.3 **Enforceable Agreement.** This Agreement is a legal, valid and binding agreement of the County, enforceable against the County in accordance with its terms, and any instrument or agreement required hereunder, including, but not limited to, the Note, when executed and delivered, will be similarly legal, valid, binding and enforceable.

6.4 **Financial Information.** All of the Department's most recent financial statements and its annual report, copies of which have been furnished to the Bank, have been prepared in conformity with generally accepted accounting principles (except as noted therein) and

fairly present the financial condition of the Department as at the then respective date, and the results of its operations for the period covered thereby. There has been no materially adverse change in the condition (financial or otherwise), operations or prospects of the Department since the date of such financial statements or since the date of preparation of the current and projected fiscal year plan.

- 6.5 **Lawsuits.** On the Closing Date, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board, body or official pending or, to the knowledge of the County, threatened against or affecting (i) the transactions contemplated by or the validity of this Agreement, the Note, the Financing Documents or any agreement or instrument to which the County is a party and that is issued or contemplated for use in the consummation of the transactions contemplated by this Agreement, (ii) the tax exempt status of the County or of the interest on the Note, (iii) the County's ability to perform its obligations under this Agreement, the Note, the Financing Documents or any related document to which it is a party, or (iv) which in any way contests the existence, organization or powers of the County or the titles of the officers of the County to their respective offices; or that in the aggregate might materially adversely affect the County's property, assets, operations or condition, financial or otherwise, or that in any manner draws into question the validity or enforceability of this Agreement, the Note, the Financing Documents or any related document.
- 6.6 **Security.** This Agreement in conjunction with the Financing Documents creates the pledge, lien and assignment which it purports to create to secure the obligations hereunder and under the Note as and to the extent provided in this Agreement.
- 6.7 **Sovereign Immunity.** The defense of sovereign immunity is not available to the County in any proceeding initiated by the Bank to enforce any of the contractual obligations of the County under this Agreement or the Note or as a holder of a "Subordinate Obligation" under the terms of any of the Financing Documents.
- 6.8 **Related Documents.** The County makes each of the representations and warranties of the County contained in the Financing Documents and in the Clean Water State Revolving Fund Loan Agreements, as applicable, executed and delivered in conjunction with the State Loans (the "*State Loan Agreements*") to and for the benefit of the Bank as if the same were set forth in full herein. Unless otherwise expressly provided herein, such representations and warranties shall speak only as of the dates on or as of which such statements were made.
- 6.9 **Compliance with Laws and Contracts.** The execution and delivery or enactment or adoption, as the case may be, and performance by the County of this Agreement, the Note or any Financing Document, have been duly authorized by the County and will not (i) violate any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the County, (ii) result in a breach of or constitute a default under any indenture, ordinance or loan or credit agreement or any other material agreement, lease or instrument to which the County is a party or by which it or its properties may be bound or affected, or (iii) result in, or require, the creation or imposition of any lien (other than the lien and pledge under this Agreement and the Note) upon or with respect to any of the properties now owned or hereafter acquired by the County; and the County is not in material default under any such law, order, rule, regulation, writ, judgment, injunction, decree, determination or award or any such indenture, ordinance, commitment, agreement, lease or instrument.

6.10 **No Event of Default.** There is no event which is, or with notice or lapse of time or both would be, an Event of Default under this Agreement.

7. AFFIRMATIVE COVENANTS

The County agrees, so long as credit is available under this Agreement and until the Bank is repaid in full:

7.1 **Use of Proceeds.** To use the proceeds of the Facility and any subsequent Term Loan only for the purpose of paying a portion of the Costs of the CIP Projects (as defined in the 2009 Ordinance), including paying interest on the Note and costs and expenses incurred in connection with this Agreement and the issuance of the Note.

7.2 **Notice of Default.** Forthwith after the County shall have obtained knowledge of the occurrence of an Event of Default hereunder or on any debt or obligation issued under any Financing Documents or the State Loans, provide to the Bank the written statement of an authorized officer of the County setting forth the details of each such Event of Default and the action that the County proposes to take with respect thereto.

7.3 **Financial Information.** Provide to the Bank copies of all financial statements as and when required to be provided pursuant to Section 610 of the Master Ordinance.

7.4 **Bank as Depository.** To maintain the Bank as a depository bank, including for the maintenance of business, cash management, operating and administrative deposit accounts. The cumulative average monthly depository account balance associated shall not be less than \$25,000,000.00 (the "***Minimum Required Balance***"), at any time, tested on each January 1 and July 1 (the "***Deposit Test Date***"), during the term of this Facility and the Term Loan Period, subject to the following provisions:

- (a) All deposits shall be placed at the Bank's Public Funds Money Market Premier Account;
- (b) Such deposit accounts are not, and shall not be, pledged to the Bank as security for any indebtedness of the County to the Bank;
- (c) The Bank shall test the required level of the Minimum Required Balance, and determine whether the Minimum Required Balance is on deposit with the Bank, only on, and no more frequently than, each Deposit Test Date;
- (d) The County may spend the funds on deposit as part of the Minimum Required Balance during the period between each Deposit Test Date without restriction under this Agreement other than the requirement herein that the Minimum Required Balance be on deposit with the Bank on each Deposit Test Date;
- (e) The failure of the County to cause the Minimum Required Balance to be on deposit with the Bank on each Deposit Test Date shall constitute an Event of Default.

7.5 **Preservation of Existence.** Preserve and maintain its existence, rights and privileges in the State of Florida.

7.6 **Compliance with Agreements.** Observe and perform all of its obligations, agreements and covenants under the Financing Documents, this Agreement, the Tax Certificate, the

Note, the State Loan Agreements or any documents relating to the issuance of obligations under the State Revolving Fund Loan Program, including, but not limited to:

- (a) Those covenants set out in Sections 208 and Article VI of the Master Ordinance; and
- (b) Section 5.01 of the State Loan Agreements, including such section in the Clean Water State Revolving Fund Loan Agreement WW377900 between the County and the Florida Water Pollution Control Financing Corporation (the "*Corporation*").

7.7 **Litigation Notice.** Give the Bank prompt notice of any action, suit or proceeding known to it at law or in equity or by or before any governmental instrumentality or other agency that, if adversely determined, could materially impair the ability of the County to carry out its obligations under the law, this Agreement, the Note or any other document, instrument or agreement required hereunder or thereunder, or would materially and adversely affect the assets or financial condition of the Department or County.

7.8 **Inspections.** Upon reasonable notice permit any Person designated by the Bank in writing, at the Bank's expense, to visit any of the properties of the Department relating to the Note or this Agreement, to examine the corporate books and financial records of the Department and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Department with the principal officers of the Department relating to the Note or this Agreement, all at such reasonable times and as often as the Bank may reasonably request.

7.9 **Certain Notices.** Furnish to the Bank a copy, promptly after (as applicable) the creation, receipt or giving thereof, of (i) any notice, certification, demand or other writing or communication given to the County, or by the County, under or in connection with any Financing Document that affects the Bank's rights or obligations hereunder, (ii) any official statement, offering circular, placement memorandum or similar or corresponding document, and any supplements thereto and updates and amendments thereof, that the County makes available in connection with the offering for sale of any Parity Debt (as defined in Section 9.1.(g)) of which it is the issuer, (iii) notice of any change, suspension or termination in the unenhanced long term ratings assigned to the Bonds (as defined in the Master Ordinance) or other obligations of the Department by any Rating Agency (as defined in the Master Ordinance) forthwith upon the occurrence thereof, (iv) any matter or event that may result in a material adverse change in the financial condition or operations of the Department, and (v) furnish or cause to be furnished to the Bank, five banking days prior to the effectiveness thereof, notice of any proposed amendment to any document relating to the Financing Documents with respect to which the Bank's consent is not required pursuant to Section 8.5, and copies of all such amendments promptly following the execution thereof.

7.10 **Books and Records.** To maintain adequate books and records.

7.11 **Cooperation; Further Assurances.** To take any action reasonably requested by the Bank to carry out the intent of this Agreement. At any and all times, at the request of the Bank, execute, acknowledge (where appropriate) and deliver, and cause to be executed, acknowledged (where appropriate) and delivered, insofar as it may be authorized so to do by law, from time to time promptly at the request of the Bank, all such further acts, deeds, conveyances, assignment, recordings, filings, transfers, documents and assurances

as may be necessary or desirable to effectuate the provisions of this Agreement and the other Financing Documents.

8. NEGATIVE COVENANTS

The County covenants, undertakes and agrees with the Bank that, so long as credit is available under this Agreement and until the Bank is repaid in full, it will not:

- 8.1 **Violation of Laws.** Violate any laws, rules, regulations, or governmental orders to which it is subject, which violation involves a reasonable possibility of materially and adversely affecting the financial condition, business or results of operations of the Department or would materially adversely affect the County's ability to perform its obligations under this Agreement or the Financing Documents.
- 8.2 **Liens.** Except as provided in Sections 208, 209 and 210 of the Master Ordinance, or under the State Loan Agreements or other Interim Financing (as defined in the 2009 Ordinance), issue or incur any bonds, notes, debentures, obligations or other evidences of indebtedness of similar nature, other than the Note, payable out of or secured by a lien on the Pledged Revenues or other moneys, securities or funds held or set aside by the County under the Financing Documents; or create or cause to be created any Lien on the Pledged Revenues, or such moneys, securities or funds, except as provided in the Financing Documents.
- 8.3 **Other Indebtedness.** Except as provided in Sections 208, 209 and 210 of the Master Ordinance or under the State Loan Agreements or other Interim Financing, create or incur any indebtedness for borrowed money payable from the Pledged Revenues that is prior to or on a parity with the lien on Pledged Revenues that secures the Note. The County shall also not enter into any financing arrangements, which constitute Interim Financing in an amount outstanding at any time in excess of \$400,000,000 in the aggregate, or reduce the authorization of Additional Bonds below the amount necessary to repay the Facility.
- 8.4 **Merger Without Assumption.** Take any action, or permit any action to occur or be taken by any other person, that would cause the County to consolidate or amalgamate, or merge into, or transfer all or substantially all its assets to, or reorganize, incorporate, reincorporate, or reconstitute into or as, another entity, or any Person, board, body, commission, agency, or authority succeeds to the principal functions of, and/or the power or duties granted to, the County, and in any such case, at the time of such consolidation, amalgamation, merger, transfer, reorganization, incorporation, reincorporation, reconstitution, or succession the resulting, surviving or transferee entity fails to assume all the obligations of such party under this Agreement by operation of law or pursuant to any agreement reasonably satisfactory to the other party to this Agreement.
- 8.5 **Amendments.** Cause or permit the Financing Documents to be amended, modified or supplemented or any waiver to be executed with respect thereto (a "Change") other than in accordance with Article VIII of the Master Ordinance. The County acknowledges and agrees that (y) any Change that adversely affects payments of the Pledged Revenues as contemplated in the Financing Documents shall constitute a Change that affects the Note and (z) in the case of any Change to the Financing Documents, such Change shall be subject to the consent of the Bank if such Change would materially and adversely affect the rights or obligations of the County or the Bank under this Agreement. If the Financing Documents are subjected to a Change other than in accordance with this Section 8.5 nothing in this Agreement shall be deemed to imply the agreement of the

Bank to such Change for purposes of construing the rights of the Bank under this Agreement.

- 8.6 **Tax Exemption.** Not take any action, or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Note, and in the event of such action or omission will promptly, upon receiving notice thereof, take all lawful actions, based on advice of counsel, as may be possible to rescind or otherwise to negate the effect of such action or omission. The County shall not take any action or fail to take any action which would cause the Note to be an "arbitrage bond" with the meaning of Section 148(a) of the Code.

9. DEFAULT AND REMEDIES

An "*Event of Default*" shall exist under this Agreement if any of the following occurs and is continuing:

9.1 **Default.**

- (a) Nonpayment of any fees, principal of or interest on the Note, or any other amount when due hereunder (together with interest thereon at a rate equal to the Default Rate), if such failure to pay when due shall continue for two banking days after written notice thereof from the Bank to the County;
- (b) Any representation or warranty made by the County under or in connection with this Agreement, the Note or any of the Financing Documents shall prove to be untrue in any material respect on the date as of which it was made;
- (c) The breach by the County of any of the terms or provisions of this Agreement (other than a default under Section 9.1(a) or (b)), which is not remedied within thirty (30) days after written notice thereof shall have been received by the County from the Bank; provided, however, that there shall be no 30-day cure period for a failure to observe or perform any covenant or agreement set forth in or contemplated by Sections 8.2 and 8.3); and with respect to any such term, covenant or agreement contained in any of the other Financing Documents, any such failure remains unremedied after any applicable grace period specified in such Financing Document;
- (d) Insolvency.
 - (i) The County shall commence any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, (A) relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the County shall make a general assignment for the benefit of its creditors;
 - (ii) There shall be commenced against the County any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign of a nature referred to in clause (i) above that (A) results in an order for such relief or in the appointment of a receiver

or similar official, or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) days;

- (iii) There shall be commenced against the County any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of the assets of the County or the Department, which results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof;
 - (iv) The County shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or
 - (v) The County shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts.
- (e) Any material provision of this Agreement or the Financing Documents: (i) shall at any time for any reason cease to be valid and binding on the County, or shall be declared to be null and void by a final non-appealable court order; (ii), the validity or enforceability thereof shall be contested by the County; (iii) the validity or enforceability thereof shall be contested by any governmental authority having jurisdiction and such contest is upheld by a final non-appealable court order; (iv) or the County shall deny that it has any further liability or obligation under any such document; and with respect to (i), (ii), (iii) or (iv) the occurrence of such event would have a material adverse effect on the security for the Note or the County's ability to pay its obligations under this Agreement or the Note;
- (f) The occurrence of any "*Event of Default*" as defined in the Financing Documents that is not cured within any applicable cure period under any of the Financing Documents and that, if not cured, would give rise to remedies available thereunder (regardless of any waiver thereof by any individual, entity or governmental entity or individual (collectively, a "*Person*") other than the Bank);
- (g) (i) the County shall default in any payment of principal of or premium, if any, or interest on any indebtedness or obligation that is on a parity with, or senior to, the County's obligation to make payments on the Note (the "*Parity Debt*") in excess of \$1,000,000 and such default shall continue beyond the expiration of the applicable grace period, if any, (ii) the County shall fail to perform any other agreement, term or condition contained in any agreement, mortgage or other instrument under which any such obligation is created or secured, which results in Parity Debt in excess of \$1,000,000 becoming due and payable or which enables (or, with the giving of notice or lapse of time, or both would enable) the holder of Parity Debt in excess of \$1,000,000 or any Person acting on such holder's behalf to accelerate the maturity thereof; and
- (h) A final, unpaid and non-appealable judgment or order for the payment of money payable from Pledged Revenues, in an amount in excess of \$10,000,000 (other than consent orders) shall have been rendered against the County and such judgment or order shall not (i) have been satisfied, stayed or bonded pending

appeal or (ii) be subject to a written agreement by the judgment holder thereof pursuant to which such judgment holder has agreed that such judgment or order will not in any manner be executed upon pending appeal, in each case within a period of thirty (30) days from the date on which such judgment or order was first so rendered.

- (i) An event of default under the terms of the State Loan Agreements, which are Subordinate Obligations, occurs which causes the Corporation, or other obligee thereunder, to immediately accelerate (i) the repayment schedule (as described in the State Loan Agreements) or (ii) all amounts outstanding thereunder.

9.2 **Remedies.** If any Event of Default occurs, the Bank may do one or more of the following:

- (a) Declare the County in default, stop making any additional credit available to the County, and convert all amounts outstanding hereunder into a Term Loan in accordance with Section 1.3.
- (b) If an event which, with notice or the passage of time, will constitute an Event of Default has occurred and is continuing, the Bank has no obligation to make advances or extend additional credit under this Agreement.
- (c) The Bank shall have all rights, powers and remedies available under any instruments and agreements required by or executed in connection with this Agreement, and it may proceed to protect its interests by suit in equity, action at law or other appropriate proceedings, whether for the specific performance of any covenant or agreement of the County herein contained or in aid of the exercise of any power or remedy granted to the Bank under any of the other Financing Documents or as the holder of a Subordinate Obligation.
- (d) Apply to a court of competent jurisdiction, cause the appointment of a receiver to manage the Department, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under this Agreement.
- (e) Upon an Event of Default occurring under Sections 9.1(d), (e) or (i) hereunder, immediately and without presentment or demand, accelerate the amounts outstanding hereunder to become immediately due and payable, and recover any such amounts on a *pari passu* basis with the Corporation or other obligees under the provisions of the State Loan Agreements.
- (f) If an Event of Default occurs under Section 9.1(a), solely with respect to the payment of any principal of or interest on the Note, but excluding any fees or any other amount when due hereunder, and such Event of Default has not been cured within 30 days after written notice thereof from the Bank to the County, the Bank may, immediately and without presentment or demand, accelerate the amounts outstanding hereunder to become immediately due and payable and recover any such amounts on a *pari passu* basis with the Corporation or other obligees under the provisions of the State Loan Agreements; provided, however, no 30-day cure period shall be in effect for payments of principal and interest due on the Initial Maturity Date, unless the County determines to convert the Facility into a Term Loan in accordance with Section 1.3(c), or on the Maturity Date.

9.3 **Default Rate.** Upon and after the occurrence of an Event of Default, the obligations of the County under this Agreement shall bear interest at a per annum rate equal to the lesser of (i) the Default Rate or (ii) the highest rate of interest permitted under applicable law.

10. **ENFORCING THIS AGREEMENT; MISCELLANEOUS**

10.1 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

10.2 **Successors and Assigns.**

- (a) Whenever in this Agreement any party hereto is referred to, such reference shall be deemed to include the successors and assigns of such party.
- (b) The County may not assign or transfer this Agreement without the prior written consent of the Bank.
- (c) All covenants, promises and agreements by or on behalf of the County which are contained in this Agreement shall bind the County's successors and assigns and shall inure to the benefit of the successors and assigns of the Bank.

10.3 **Waiver of Jury Trial; Service.**

- (a) To the fullest extent permitted by law, the County and the Bank hereby waive their respective rights to a trial by jury for any claim or cause of action based upon or arising out of or related to this Agreement, any other document delivered in connection herewith, or the transactions contemplated hereby or in any action, proceeding or other litigation of any type brought by any of the parties against any other party or any Bank related person, Participant or assignee, whether with respect to contract claims, tort claims, or otherwise. The County and the Bank hereby agree that any such claim or cause of action shall be tried by a court trial without jury. Without limiting the foregoing, the parties further agree that their respective right to a trial by jury is waived by operation of this Section as to any action, counterclaim or other proceeding that seeks, in whole or in part, to challenge the validity or enforceability of this Agreement or any other document delivered in connection herewith or any provision hereof or thereof. This waiver shall apply to any subsequent amendments, renewals, supplements or modifications to this Agreement and any other documents delivered in connection therewith.
- (b) Service of process in any action shall be duly served if mailed by registered mail, postage prepaid, to the County at its address described in Section 10.9 or if served by any other means permitted by applicable law.

10.4 **Severability; Waivers.** If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing. Furthermore, in case the Bank shall proceed to invoke any right, remedy or recourse permitted hereunder and shall thereafter elect to discontinue or abandon the same for any reason, the Bank shall have the unqualified right so to do and, in such event, the County and the Bank shall be restored to their former positions with respect to the obligations hereunder, and otherwise, and the

rights, remedies, recourse and powers of the Bank hereunder shall continue as if the same had never been invoked.

10.5 Fees; Expenses; Documentary Taxes; Indemnification.

- (a) The County agrees, whether or not the transactions hereby contemplated shall be consummated, to pay, and save the Bank harmless against liability for the payment of, all reasonable out-of-pocket, costs and expenses arising in connection with this transaction including, without limitation, the preparation, execution and delivery of this Agreement and related documents, the enforcement of, or the preservation of, any rights under this Agreement, the other Financing Documents, the Note, and related documents, any modification or consent under such documents and instruments, the reasonable fees and expenses of counsel for the Bank, and all stamp and documentary taxes (including interest and penalties, if any) which may be payable in respect of such documents.
- (b) To the maximum extent permitted by law, the County hereby agrees to indemnify, defend and hold the Bank harmless from and against all liability (including, without limitation, interest, penalties and all reasonable attorneys' fees) to which the Bank may become subject insofar as such liability arises out of or is based upon a suit, proceeding, investigation or governmental action brought or taken in connection with the Department, the County, this Agreement, the other Financing Documents or related documents or the use (or the proposed or potential use) of the proceeds of any purchase under this Agreement.
- (c) To the maximum extent permitted by law, the County hereby agrees at all times to protect, indemnify and save harmless the Bank from and against any and all claims, actions, investigations, suits and other legal proceedings, and from and against any and all losses, claims, demands, liabilities, damages, costs, charges, counsel fees and other expenses that the Bank may, at any time, sustain or incur by reason of or in consequence of or arising out of (a) this Agreement or any document required hereunder, (b) the execution and delivery of this Agreement, the transactions contemplated hereby, the issuance of the Note, (c) any credit extended or committed by the Bank to the County hereunder, and (d) any litigation or proceeding related to or arising out of this Agreement, any such document, or any such credit. This indemnity includes but is not limited to attorneys' fees (including the allocated cost of in-house counsel). This indemnity extends to the Bank, its parent, subsidiaries and all of their directors, officers, employees, agents, successors, attorneys, and assigns. This indemnity will survive repayment of the County's obligations to the Bank.
- (d) Neither the Bank under this Agreement, nor any of its officers or directors shall be liable or responsible for (i) the use that may be made of this Agreement or any amounts made available by the Bank hereunder, (ii) the validity, sufficiency or genuineness of documents or of any endorsement thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, or (iii) any other circumstances whatsoever in making or failing to make payment under this Agreement, except only that the County shall have a claim against the Bank and the Bank shall be liable to the County to the extent, but only to the extent, of any direct (as opposed to consequential) damages suffered by the County, which the County proves were caused by the Bank's gross negligence or willful failure to make payment under this Agreement in accordance with the terms hereof. In furtherance and not in limitation of the

foregoing, the Bank may accept documents that the Bank in good faith determines appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

- (e) Any payment obligations of the County under this Section 10.5 shall constitute Subordinate Obligations and be payable solely from Pledged Revenues as provided in the Master Ordinance.

10.6 Set-Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, during the continuance of any Event of Default, the Bank is hereby authorized at any time and from time to time, without notice to the County or to any other person or entity, any such notice being hereby expressly waived, to set-off and to appropriate and apply, subject to the provisions of the Master Ordinance, any and all deposits (general or special) at any time held, pursuant to Section 7.4, by the Bank (but in any event excluding any trust or securities accounts held at the Bank) to or for the credit or the account of the County or the Department against and on account of the obligations and liabilities of the County to the Bank under this Agreement, including (without limitation) all claims of any nature or description arising out of or connected with this Agreement irrespective of whether or not the Bank shall have made any demand hereunder.

10.7 Participants.

- (a) The Bank shall have the right at any time to sell, assign, grant or transfer participations in all or part of its obligations hereunder and the obligations of the County hereunder to any other entity (each a "**Participant**") without the consent of or notice to the County; provided, that any participation shall not relieve the Bank from any of its obligations hereunder. The Bank may disclose to any Participants or prospective Participants any information or other data or material in the Bank's possession relating to this Agreement, any Financing Documents, the County, or the Note without the consent of or notice to the County or the Department. Under no circumstances shall the provisions of Section 7.4 apply to any Participant.
- (b) Any Participant may assert any claim under Section 2.4 or Section 10.5(b) or (c) that it could have asserted were it the Bank. If such a claim is asserted by any Participant, such Participant shall be entitled to receive such compensation from the County as the Bank would receive in like circumstances; however, with respect to any such claim, the County shall have no greater liability under any such Section, in the aggregate, to the Bank and all Participants, than it would have had to the Bank alone had no such participation interest been created.

10.8 Final Agreement. THIS AGREEMENT, THE NOTE AND THE DOCUMENTS AND INSTRUMENTS EXECUTED AND DELIVERED CONTEMPORANEOUSLY HERewith EMBODY THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE PARTIES HERETO AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS OF SUCH PERSONS, VERBAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF. THIS AGREEMENT AND THE DOCUMENTS AND INSTRUMENTS EXECUTED IN CONNECTION HERewith REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE

PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

10.9 Notices.

- (a) Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Agreement to be made upon, given or furnished to, or filed with, the County or the Bank shall be sufficient for every purpose hereunder if in writing and (i) delivered personally to the party or, if such party is not an individual, to an officer or other legal representative of the party to whom the same is directed, at the address specified below, (ii) mailed by first class, registered or certified mail, postage prepaid, addressed as specified below, or (iii) sent by telex or telecopy or other facsimile transmission system to the number specified below. The hand delivery and mailing address and telex or telecopy number for the parties are as follows:

Bank:

Regions Bank
2800 Ponce de Leon Boulevard
9th Floor
Coral Gables, Florida 33134
Attention: Jerry L. Heniser
Telephone: (305) 648-7013
Telecopier Number: (305) 774-5189

County:

Miami-Dade County
111 N.W. 1st Street, Suite 2550
Miami, Florida 33128
Attention: Finance Director
Telephone: (305) 375-5147
Telecopier Number: (305) 375-5659

Miami-Dade Water and Sewer Department
3071 SW 38th Avenue
Miami, FL 33146
Attention: Assistant Director for Finance
Telephone: (786) 552-8104
Telecopier Number: (786) 552-8620

- (b) Any of such parties may change the address or number for receiving any such notice or other document by giving notice of the change to the other parties named in this Section.
- (c) Any notice or other document shall be deemed delivered when actually received by the party to whom directed (or, if such party is not an individual, to an officer or other legal representative of the party) at the address specified pursuant to this Section, or, if sent by telecopy, upon confirmation of receipt at the number specified pursuant to this Section, or, if sent by mail, five days after such notice or document is deposited in the United States mail, first class postage prepaid, addressed as provided above.

- 10.10 Headings.** Article and paragraph headings are for reference only and shall not affect the interpretation or meaning of any provisions of this Agreement.
- 10.11 Modifications and Amendments.** This Agreement can be amended, supplemented or modified, or any provision of this Agreement may be waived, only by an instrument in writing signed by the parties hereto.
- 10.12 Limitation of Interest and Other Charges.** Notwithstanding any other provision contained in this Agreement, the Bank does not intend to charge and the County shall not be required to pay any amount of interest or other fees or charges that is in excess of the maximum permitted by applicable law. Any payment in excess of such maximum shall be refunded to the County or credited against principal, at the option of the Bank. It is the express intent hereof that the County not pay and the Bank not receive, directly or indirectly, interest in excess of that which may be lawfully paid under applicable law including the usury laws in force in the State of Florida.
- 10.13 Counterparts.** This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.
- 10.14 Literature.** The County agrees and permits the Bank to issue an announcement of this transaction in the Bank's promotional literature and communications. This announcement may include: disclosure of the name of the County, the Bank as the provider of the Facility and Commitment and the amount of the Commitment and approved logos of both the County and Bank.
- 10.15 Patriot Act Notice.** Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account or obtains a loan. The Bank will ask for the County's legal name, address or tax ID number and other identifying information. The Bank may also ask for additional information or documentation or take other actions reasonably necessary to verify the identity of the County, guarantors or other related persons.

[Signatures on Following Pages]

In Witness Whereof, the parties have executed this Agreement as of the date stated at the top of the first page.

MIAMI-DADE COUNTY, FLORIDA

By: _____
Carter Hammer
Finance Director

REGIONS BANK

By: _____
Jerry Heniser
Vice President

Exhibit A

FORM OF LOAN NOTICE

Date: _____, ____

To: Regions Bank

Re: Loan Agreement (as amended, modified, supplemented, increased and extended from time to time, the "Loan Agreement") dated as of _____, 2009 among Miami-Dade County, Florida and Regions Bank

Ladies and Gentlemen:

Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Loan Agreement.

The undersigned hereby requests an advance of:

1. On _____, ____ [which shall be a banking day]
2. In the amount of \$ _____

Please deposit such amount to our account with Regions Bank or transmit such amount to the following account:

Bank Name: Wachovia Bank, N.A.

ABA: 063 000 021

Account No.: 2696206503470

Reference:

Attention: Assistant Director, Finance, Miami – Dade Water and Sewer Department

With respect to any advance, the County hereby represents and warrants that (i) all such representations contained in Article 6 of the Loan Agreement are true and correct as of the date hereof, (ii) that such advance complies with the terms of the Tax Certificate and no default has occurred or is continuing thereunder, and (ii) no Event of Default has occurred and is continuing under the Loan Agreement, the Note or the Master Ordinance.

MIAMI-DADE COUNTY, FLORIDA

By: _____
Name:
Title:

EXHIBIT B

NOTE

TAX EXEMPT NOTE

\$100,000,000.00

August 3, 2009

FOR VALUE RECEIVED, the undersigned, MIAMI-DADE COUNTY, FLORIDA, a political subdivision of the State of Florida (the "County"), hereby unconditionally, promises to pay, on the Initial Maturity Date (as defined in the Loan Agreement referred to below), or, if applicable, on the Maturity Date (as defined in the Loan Agreement referred to below), to the order of REGIONS BANK (the "Bank"), at the office of the Bank specified on Section 10.9 of the Loan Agreement referred to below, in lawful money of the United States of America and in immediately available funds, the principal amount of (a) ONE HUNDRED MILLION AND NO/100 DOLLARS (\$100,000,000.00), or, if less, (b) the aggregate unpaid principal amount of all advances made by the Bank or the Term Loan Amount (as defined in the Loan Agreement referred to below), to the undersigned pursuant to Section 4 of the Loan Agreement referred to below. The undersigned further agrees to pay interest in like money at such office on the unpaid principal amount hereof and, under the circumstances described in the Loan Agreement and to the extent permitted by law, accrued interest in respect hereof from time to time from the date hereof until payment in full of the principal amount hereof and accrued interest hereon, at the rates and on the dates set forth in the Loan Agreement.

The holder of this Tax-Exempt Note (the "Note") is authorized to endorse the date and amount of each disbursement by the Bank pursuant to Section 4.1(d) of the Loan Agreement and each payment of principal and interest with respect thereto on Schedule I annexed hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, which endorsement shall constitute prima facie evidence of the accuracy of the information endorsed; provided, however, that the failure to make any such endorsement shall not affect the obligations of the undersigned under this Note.

This Note is the Note referred to in the Loan Agreement dated as of August 3, 2009, between the County and the Bank (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), and is entitled to the benefits thereof. Furthermore, this Note is issued under the authority and in full compliance with the Constitution and laws of the State of Florida and more particularly with the Master Ordinance and the 2009 Ordinance. Terms used but not otherwise defined herein shall have the meanings provided in the Loan Agreement.

This Note is secured by the security as described in and in accordance with Section 3 of the Loan Agreement.

Neither this Note nor the Loan Agreement constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or power of the County, the State of Florida or any political subdivision of the State of Florida, within the meaning of any constitutional, statutory or charter provision. Neither the State of Florida nor any political subdivision of the State of Florida nor the County shall be directly or indirectly or contingently obligated to levy any ad valorem taxes on any property to pay the principal of or the interest or other related payments or costs hereunder or under the Loan Agreement, or to pay the same from any other funds of the County except from the sources provided under the Loan Agreement. The execution of the Loan Agreement by the Bank and the acceptance of this Note by the Bank shall be deemed an agreement between the County and the Bank that the Loan Agreement and this Note and the

indebtedness evidenced thereby and hereby shall not constitute a lien upon the Department, any part of the Water and Sewer Utility (as defined in the Master Ordinance), any part of the Water and Sewer Utility, or any other property of the County, but shall constitute a subordinate lien only on the Pledged Revenues as provided in the Loan Agreement.

Upon the occurrence of certain Events of Default specified in the Loan Agreement which are not waived, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided therein.

In the event that this Note is not paid when due at any stated or accelerated maturity, the County agrees to pay, in addition to principal and interest, all costs of collection, including reasonable attorneys' fees.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

Notwithstanding any other provision contained in this Note, the Bank does not intend to charge and the County shall not be required to pay any amount of interest or other fees or charges that is in excess of the maximum permitted by applicable law. Any payment in excess of such maximum shall be refunded to the County or credited against principal, at the option of the Bank. It is the express intent hereof that the County not pay and the Bank not receive, directly or indirectly, interest in excess of that which may be lawfully paid under applicable law including the usury laws in force in the State of Florida.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of Florida.

IT WITNESS WHEREOF, the County has caused this note to be duly executed by its duly authorized officer as of the day and year first above written.

MIAMI-DADE COUNTY, FLORIDA

By: _____
Name:
Title:

[Seal]

Attest:

By: _____
Name:
Title:

