Memorandum

MIAMI-DADE COUNTY

(Public Hearing 12-3-13)

Date: October 22, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor

Subject: Ordinance Approving Issuance of Revolving Line of Credit in an Amount not to Exceed $75,000,000 from Wells Fargo Bank

Agenda Item No. 5(E)

Recommendation

It is recommended that the Board of County Commissioners (Board) enact the accompanying ordinance authorizing the issuance of a Revolving Line of Credit (Line of Credit) from Wells Fargo Bank (Wells Fargo) on behalf of the Public Health Trust (PHT) in an amount not to exceed $75,000,000, approving the terms of the Line of Credit, and approving the related Memorandum of Understanding (MOU) with PHT. The ordinance renews the Line of Credit for one year and also authorizes the County Mayor, after consultation with the Office of the County Attorney, to extend the term of the Line of Credit under the same or more favorable terms in the Commitment Letter (Commitment) to the County.

Scope

The establishment of the Line of Credit supports PHT operations and therefore has a countywide impact.

Fiscal Impact/Funding Source

PHT shall make the payments for all draws and costs of the Line of Credit from its net operating revenues. The County shall guarantee PHT's commitment to make all payments with a County covenant to Wells Fargo to budget and appropriate annually sufficient legally available non-ad valorem revenues of the County. Pursuant to the MOU, the County shall have the right to deduct any payment made on the Line of Credit by the County from the PHT's One Half Cent Healthcare Sales Surtax or the annual Maintenance of Effort. Therefore, the County will not be incurring any additional costs.

Track Record/Monitoring

The PHT shall seek approval for each draw made under the Line of Credit through the County's Deputy Mayor/Finance Director Edward Marquez or the Deputy Mayor in charge of matters related to the PHT, Alina T. Hudak.

Background

This item renews for one year and provides for future extensions of the Line of Credit previously entered into by the County with Wells Fargo pursuant to Ordinance No. 12-110 enacted on December 18, 2012. At that time, the Line of Credit was presented to the Trust and accepted by the County as an unsolicited proposal from Wells Fargo. The 2012 Ordinance also approved a MOU between the County and PHT providing for PHT's repayment obligation to the County. To date, all payments on the current Line of Credit have been made by the Trust from its net revenues and it is in compliance with its obligations pursuant to the existing MOU.

As the Board is aware, the PHT has seen significant improvement in its monthly and annual financial performance including meeting its debt service coverage in FY 2012. However, it must continue to manage difficult cash flow constraints with its large intergovernmental transfer payments to, and receipts from, the State. The PHT has requested renewal of the Line of Credit for at least one additional year (through December 30, 2014) to enable it to continue managing these cash flow requirements. Since the previous Ordinance limited the term for the current Line of Credit to December 30, 2013, a new Ordinance is necessary to renew the Line of Credit.

Because an existing agreement and administrative process is in place with Wells Fargo, transactional efficiencies including time savings may be achieved thereby lowering certain costs if the County renews the Line of Credit with Wells Fargo on essentially the same or more advantageous terms as the current Line of Credit. The Commitment that was negotiated with Wells Fargo is attached as Exhibit A to the Ordinance. Pursuant to the Commitment, the Line of Credit will have a term not to exceed 364 days from its effective date. The County covenants to budget and appropriate from all legally available non-ad valorem revenues sufficient funds to pay the Line of Credit. In connection with the renewal of the Line of Credit, it is necessary for the County and the Trust to enter into a new MOU attached as Exhibit B to the Ordinance pursuant to the same PHT repayment obligations as the current MOU.

The MOU provides that:

- PHT shall borrow and repay the Line of Credit under the terms negotiated by the County with Wells Fargo;
- Subject to PHT being current on all principal and interest payments, all draw requests by PHT on the Line of Credit shall require the approval of the Deputy Mayor in charge of matters related to Finance or the Deputy Mayor in charge of matters related to the PHT;
- In addition to the quarterly repayment requirements, the County shall require of PHT that all outstanding principal and interest be repaid in full between August 1, 2014 and September 30, 2014 and any draws made after September 30, 2014, by 15 days prior to the end of the term of the Line of Credit;
- If at any time PHT fails to make payments of principal and interest when due, the County has the right to withhold such amounts due from the One Half Cent Healthcare Sales Surtax or the annual Maintenance of Effort and not to permit any further draws; and
- The term of the MOU shall commence with the effective date of the Board approval of the Ordinance and terminate on the termination date of the Line of Credit and when all PHT's payment obligations on the Line of Credit terminate.

The Ordinance approves:

- The Line of Credit in an amount not to exceed $75 million for the purposes outlined above including costs of issuance;
- The MOU with PHT; and,
- The security for, and the terms of, the Line of Credit.

The Ordinance also provides that no ad valorem taxes now or in the future are obligated for the repayment of the Line of Credit; the County may terminate the Credit Facility at any time without penalty; the County Mayor or County Mayor's designee (County Mayor) may extend the term of the Line of Credit pursuant to the same or more advantageous terms; and the County Mayor is authorized to finalize the terms and conditions of any documents required under the Ordinance, within certain limitations and parameters.

Resolution 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 Line of Credit and the MOU will not be finalized until after the effective date of the Ordinance. Therefore, a waiver of Resolution R-130-06 is necessary.

Edward Marquez
Deputy Mayor
Attachments

MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa and Members, Board of County Commissioners

DATE: December 3, 2013

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

SUBJECT: Agenda Item No. 5(E)

Please note any items checked.

_______ **"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**

_______ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

_______ **No committee review**

_______ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_______ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved ________________________ Mayor

Veto __________

Override __________

Agenda Item No. 5(E)
12-3-13

ORDINANCE NO. ______________

ORDINANCE APPROVING REVOLVING LINE OF CREDIT IN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $75,000,000 FROM WELLS FARGO BANK, N.A. TO COUNTY FOR PURPOSES OF PROVIDING FUNDS TO PUBLIC HEALTH TRUST AND PAYING COSTS OF ISSUANCE; PROVIDING THAT SUCH LINE OF CREDIT BE SECURED BY COUNTY COVENANT TO ANNUALLY BUDGET AND APPROPRIATE FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE COUNTY SUFFICIENT FUNDS TO PAY DEBT SERVICE ON LINE OF CREDIT; APPROVING TERMS OF RELATED COMMITMENT LETTER; APPROVING FORM AND EXECUTION OF MEMORANDUM OF UNDERSTANDING BETWEEN COUNTY AND PUBLIC HEALTH TRUST REGARDING PAYMENT OF LINE OF CREDIT FROM CERTAIN TRUST REVENUES; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE AND ALL OTHER COUNTY OFFICIALS TO TAKE ALL ACTION TO SECURE LINE OF CREDIT AND TO EXTEND ITS TERM WITHIN CERTAIN PARAMETERS INCLUDING ENTERING INTO RELATED AGREEMENTS AND DOCUMENTS WITH TERMS CONSISTENT WITH THOSE SET FORTH IN THE COMMITMENT LETTER; AND PROVIDING SEVERABILITY AND AN EFFECTIVE DATE

WHEREAS, the operation of the Jackson Health System has certain monthly cash flow shortfalls ("Shortfalls") caused by a delay in the receipt of revenues from the State of Florida ("State") for certain eligible reimbursements as more fully described in the County Mayor's memorandum ("County Mayor's Memorandum") attached to and incorporated in this Ordinance by reference; and

WHEREAS, the Public Health Trust ("Trust") previously received an unsolicited proposal for a line of credit from Wells Fargo Bank N.A. ("Wells Fargo") to fund the Shortfalls on a short term basis; and

WHEREAS, pursuant to Ordinance No. 12-110, Wells Fargo provided a short term revolving line of credit ('Line of Credit") to the County on behalf of the Trust secured by a County covenant to annually budget and appropriate from all legally available non-ad valorem revenues of the County sufficient funds to pay the outstanding principal and interest on the Line of Credit and any fees and costs of the Line of Credit ('Debt Service"); and

WHEREAS, as security for the Line of Credit, the County entered into a Memorandum of Understanding with the Trust ("MOU") which provides, among other provisions, that the Debt Service shall be paid from certain Trust Revenues (as defined in the MOU) and the County shall approve all requests by the Trust to draw funds under the Line of Credit; and

WHEREAS, both the Line of Credit and the MOU are set to expire on or before December 30, 2013; and

WHEREAS, the Trust has a continuing need for the Line of Credit which extends beyond its' December 30, 2013 expiration; and

WHEREAS, Wells Fargo has agreed to provide a new Line of Credit pursuant to a commitment letter ("Commitment") that includes terms substantially the same as the current Letter of Credit but with some changes that are more favorable to the County and the Trust as described in the County Mayor's Memorandum; and

WHEREAS, it is the desire of this Board to continue to assist the Trust with managing its Shortfalls by approving the new Line of Credit and an extension of the MOU; and

WHEREAS, the Board wishes to authorize the County Mayor or County Mayor's designee ("County Mayor") and any other County official to enter into any related agreements and certificates and to do all things that may be necessary to enter into the Line of Credit and to approve any extensions, provided the terms of such agreements, certificates and extensions are consistent with the terms of the Commitment,

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

Section 1. The matters contained in the foregoing recitals are incorporated in this Ordinance by reference.

Section 2. The Commitment is approved in substantially the form attached as Exhibit A to this Ordinance. The Line of Credit is also approved in an aggregate principal amount not to exceed $75,000,000 pursuant to the terms of the Commitment for the purpose of providing funds to the Trust so it could pay (i) any monthly Shortfalls; and (ii) any costs of issuance related to the Line of Credit.

Section 3. The Line of Credit shall be secured in the manner described in the Commitment which includes a County covenant to appropriate in its annual budget, including by amendment, if required, sufficient amounts of legally available non-ad valorem revenues of the County to pay the Debt Service on the Line of Credit. The phrase "all legally available non-ad valorem revenues" in the previous sentence means, for purposes of this Ordinance, all revenues of the County derived from any source whatsoever, other than ad valorem taxation on real and personal property, and are legally available to pay the Debt Service, but only after provision has been made by the County for payment of obligations having an express lien on or pledge of any of the revenues that make up the non-ad valorem revenues and services and programs which are for essential governmental services or which are legally mandated by applicable law.

Section 4. The Line of Credit shall bear interest at the variable rate calculated in accordance with the Commitment and shall terminate three hundred and sixty four (364) days after the closing date, unless such term is extended by the County and Wells Fargo. Pursuant to the terms set forth in the Commitment and any amendments to such terms which are favorable to the County, the County Mayor, after consultation with the Office of the County Attorney, is authorized to extend the term of the Line of Credit at the expiration of each term at the request of the Trust and upon approval by Wells Fargo.

Section 5. Nothing in this Ordinance or in the Commitment shall be construed to obligate the County to levy and collect any ad valorem taxes for the payment of its obligations under the Commitment or any related agreements. The obligations of the County under the Commitment or any related agreements do not constitute a general indebtedness of the County within the meaning of any constitutional or statutory provision or limitation and no person may compel the County to levy ad valorem taxes for the payment of its obligations pursuant to the Commitment or any related agreements.

Section 6. The MOU in substantially the form attached as Exhibit B to this Ordinance is approved.

Section 7. The County Mayor, County Mayor's designee, the Finance Director, Clerk or any other appropriate officers of the County are authorized and directed to execute any and all agreements and certificates or other instruments or documents required by this Ordinance and/or the Commitment after consultation with the County Attorney's office provided the terms of such agreements and certificates are consistent with the Commitment approved by this Board.

Section 8. If any one or more of the covenants, agreements or provisions contained in this Ordinance shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions of this Ordinance.

Section 9. This Ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board.

Section 10. The provisions of Resolution No. R-130-06 requiring that any contracts of the County with third parties be executed and finalized prior to their placement on the committee agenda are waived at the request of the County Mayor for the reasons set forth in the County Mayor's Memorandum.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency: ______

Prepared by: ______

Gerald T. Heffernan

September 23, 2013

Mr. Frank Hinton
Director of Bond Administration
Miami Dade County - Finance Department
111 NW 1st Street, Suite 2550,
Miami, Florida 33128-1929

Dear Mr. Hinton:

Wells Fargo Bank, National Association (the "Bank") is pleased to submit the Commitment described below to Miami Dade County, Florida (the "County") with the following terms and conditions:

Borrower:	Miami Dade County, Florida (the "County")
Amount:	Not to exceed $75,000,000
Facility/Term	Revolving Line of Credit (the "Facility"). Bank's commitment to lend shall terminate 364 days from closing. The Facility shall be repayable in quarterly payments of accrued interest only until the maturity date when all remaining principal and interest shall be due. Interest shall accrue based on a 30 day month a 360 day year basis.
Draws:	Borrower may borrow, repay and re-borrow principal under the Facility provided no event of default pursuant to the related loan documents as occurred. The outstanding principal balance in excess of $100.00 will be repaid quarterly for a period of 5 days. No Unused Fee will apply during this period.
Purpose:	Provide funds to the County which will be lent to the Public Health Trust (PHT) to cover cash flow shortfalls in anticipation of reimbursements from the State.
Security:	The Facility will be secured by a Covenant to Budget and Appropriate from all Legally Available Non-Ad Valorem Revenues of Miami-Dade County.

Interest Rate:	Non Bank Qualified Variable Rate: 70% of One month LIBOR plus 75 Basis points.
	The above rate assumes that the borrowing is tax-exempt. The County must provide a legal opinion to this effect.
	LIBOR is that rate as shown on the Telerate System, page 3750. The Initial Rate will be based on LIBOR two business days prior to the draw. LIBOR will be reset monthly on the first day of the month based on LIBOR two business day prior to the first day of the month.
Unused Fee:	10 Basis Points payable quarterly in arrears on the unused portion of the Facility.
Prepayment:	The County may prepay the Facility at any time without penalty.

Conditions

1. The County, by official action, shall approve entering into this commitment and the Facility described herein.

2. The interest rate on the Facility shall be subject to adjustment as set forth below. If i) a "Determination of Taxability" (as defined below) shall occur or ii) state or federal tax laws or regulations are amended to cause the interest on the Facility to be taxable, to be subject to a minimum tax or an alternative minimum tax or to otherwise decrease the after tax yield on the Facility to the Bank (directly or indirectly, in whole or in part), then the interest on the Facility shall be adjusted to cause the yield on the Facility, after payment of any increase in tax, to equal what the yield on the Facility would have been in the absence of such Determination of Taxability or change or amendment in tax laws or regulations.

For purposes hereof, "Determination of Taxability" means the circumstance of the interest on the Facility becoming includable for federal income tax purposes in the gross income of the Bank, regardless of whether caused by or within the control of the County. A Determination of Taxability will be deemed to have occurred upon (i) the receipt by the County or the Bank of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency; (ii) the issuance of any public or private ruling of the Internal Revenue Service; or (iii) receipt by the County or Bank of an opinion of counsel experienced in tax matters relating to municipal bonds, in each case to the effect that the interest on the Facility is not excluded from in the gross income of the Bank for federal income tax purposes.

The above adjustments shall be cumulative, but in no event shall the interest on the Facility exceed the maximum permitted by law. The above adjustments to the interest rate on the Facility shall be effective for all periods during which tax treatment of the interest on the Facility by the Bank is the affected. Proper partial adjustment shall be made if the tax law change is effective after the first day of the Bank's tax year or if the interest on the Facility does not accrue for the entire tax year of the Bank. Adjustments which create a circular calculation because the interest on the Facility is affected by the calculation shall be carried out sequentially, increasing the interest on the Facility accordingly in each successive calculation using as the new value the increase in the interest rate on the Facility, until the change on the interest rate on the Facility caused by the next successive calculation of the adjustment is de minimus.

3. All legally available Non-Ad Valorem Revenues shall mean all revenues of the County derived from any source whatsoever, other than Ad Valorem taxation on real and personal property, and are legally available to make the loan repayments required under this proposal, but only after provision has been made by the County for payment of obligation having an express lien on or pledge of any of the revenues that make up the Non-Ad Valorem Revenues and services and programs which are for essential governmental service or which are legally mandated by applicable law. So long as there are legally available Non-Ad Valorem Revenues, the County may not fail to budget and appropriate debt service in order to balance its budget. The foregoing covenant to budget and appropriate shall be deemed to require appropriation, in the manner set forth above, of Non-Ad Valorem Revenues ratably to pay the obligations hereunder and all other Additional Covenant Debt. The County will not enter into any covenant to budget and appropriate from Non-Ad Valorem revenues which is in any manner prior or senior to its obligations hereunder. Additional Covenant Debt shall mean indebtedness of the County heretofore or hereafter issued which contains a covenant by the County to budget and appropriate from Non-Ad Valorem Revenues amount sufficient to pay the principal, interest and premium, if any, on such debt as same becomes due and payable, all in a form similar to the covenant described herein.

4. For each fiscal year during the term of the loan, and prior to the incurrence of Additional debt secured by a Covenant to Budget and Appropriate from all Legally Available Non-Ad Valorem Revenues, the average of the prior two years Legally Available Non Ad Valorem Revenues as defined above, must cover existing and projected maximum annual debt service on debt secured by and/or payable from such Revenues by at least 2x, For purposes of calculating maximum annual debt service, the subject Facility and the Port Tunnel Letter of credit will be assumed to be fully funded, shall be assumed to bear interest at 12% per annum and be assumed to be amortized over a 10 year amortization period. Moreover, variable rate debt will be assumed to bear interest at 12%.

5. The documents necessary for qualifying the Facility as a tax exempt obligation (the Tax Exempt Documents") shall be prepared by Hogan Lovells US LLP (the Bond Counsel"). The Bank will receive a standard opinion of Bond Counsel as to the due authorization and enforceability of such Tax Exempt Documents and as to tax-exemption under state and federal law, and an opinion of the County's attorney as to litigation and other matters. The Tax Exempt Documents and such opinions shall be in form and content acceptable to the Bank. The Tax Exempt Documents shall be available for review at least 5 business days prior to closing. The Bank will retain

counsel to prepare the Bank's loan documents and to review the Tax Exempt Documents on behalf of the Bank. Bank counsel fees to prepare an Extension and Amendment Agreement and to review the Tax Exempt Documents are $5,000.00 and to prepare an Extension and New Line of Credit Agreement and to review the Tax Exempt Documents are $10,000.00. All costs relating to the preparation of documents and to otherwise complete this transaction, including the Bank Counsel fee, will be paid by the County (whether or not the transaction closes).

6. On an ongoing basis, the County agrees that it shall deliver to the Bank printed copies of, its Comprehensive Annual Financial Report (CAFR) within 270 days of each fiscal year end, a Current Year Operating Budget and Capital Improvement Plan within 60 days of its Fiscal Year End and any other such information as reasonably requested by Bank. Additionally, at the time of submission of the CAFR, the County shall provide an Anti-Dilution Certificate, (Exhibit A attached), certifying that it is in compliance with the required ratio as set forth in condition (4) above. **Prior to closing the attached Exhibit A must be signed** and returned to the Bank.

7. This Commitment shall remain in full force and effect through 3:00 p.m., local time, October 23, 2013, at which time, if not accepted by execution of the acceptance clause below and mailed to the Bank at its 200 S. Biscayne Blvd., Miami, Florida 33131, office to my attention, this Commitment shall expire and shall not be enforceable by either the Bank or the County unless extended by the Bank in writing. Unless extended by the Bank in writing, this Facility must close on or prior to December 31, 2013 after which this commitment shall expire.

8. If the Bank chooses to waive any covenant, paragraph, or provision of this Commitment, or if any covenant, paragraph, or provision of this Commitment is construed by a court of competent jurisdiction to be invalid, it shall not affect the applicability, validity or enforceability of the remaining covenants, paragraphs or provisions.

9. The preceding terms and conditions are not exhaustive. Any final documents will include other covenants, terms and closing conditions as are customarily required by the Bank for similar transactions including but not limited to Events of Default as enumerated in the Reimbursement Agreement between Miami-Dade County and the Bank dated September 25, 2009, Default Rate of the higher of the Note Rate + 3% or Prime + 3%, Events of Default, Acceleration upon Default (immediate for payment default, bankruptcy, insolvency; 30 day grace period for other Events of Default) and waiver of jury trial, most favored nation provision, such that more restrictive covenants, ratios and tests, and greater remedies under the Obligor's other like secured debt instruments, (secured by a Covenant to Budget and Appropriate Non Ad Valorem Revenues, any debt of the County) shall be automatically deemed incorporated, mutatis mutandis, into the loan documents, and prohibitions on the use of bond proceeds for leveraged or margined investments and on speculative derivative transactions, in each case without the prior written consent of the Bank. Increased cost and capital adequacy provisions shall apply. To the extent permitted by law the loan documents will include customary interest rate recapture ("clawback") language allowing the Bank to recover interest in excess of any maximum interest rate imposed by law. This Commitment

Letter shall not survive closing.

10. The County represents and agrees that all information provided to the Bank is correct and complete with respect to this transaction. No material adverse change may occur in the business condition, operations, or performance of the County nor may any adverse circumstance be discovered as to, the financial condition of the County prior to closing. The Bank's obligations under this Commitment are conditioned on the fulfillment to the Bank's sole satisfaction of each term and condition referenced by this Commitment. No change may occur in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the Bank's sole discretion;

11. This Commitment supersedes all prior Commitments and proposals with respect to this transaction, whether written or oral, including any previous loan proposals made by the Bank or anyone acting within its authorization. No modification shall be valid unless in writing and signed by an authorized Officer of the Bank and accepted in writing by the County. This Commitment is not assignable and no entity other than the County shall be entitled to rely on this Commitment.

12. The Bank will make the loan for its own account and not with the intent to distribute the loan or interests therein. However, the Bank may in the future enter into participation agreements or securitization transactions with respect to the loan. Transfers will be limited to commercial banks with at least $5Billion in capital. If requested, the Bank will deliver an appropriate investor letter at closing provided that upon any such transfer the Bank shall remain the exclusive party in which the County shall engage with in connection with any obligations of the County under the Facility.

Conditions precedent to closing:
1. The Note purchased by the Bank will not carry a published rating.
2. The Note purchased will be delivered in physical form.
3. The Note will be in minimum denominations of at least $250,000.
4. The physical note shall carry a legend on the bond reflecting transfer restrictions.
5. Note will be limited to transfer to other qualified institutional buyers with a minimum capital and surplus of $5,000,000,000 and which has executed an approved investor letter.

Wells Fargo Bank, National Association appreciates the opportunity to submit this Commitment to you and looks forward to your favorable response. Should you have any questions, please do not hesitate to contact me at 305-789-4824.

Best Regards,
WELLS FARGO BANK, NATIONAL ASSOCIATION

Lance Aylsworth
Vice President
Government Banking

ACCEPTANCE

The above Commitment is hereby accepted on the terms and conditions outlined above subject to its approval by its Board of County Commissioners of the County.

Closing Date: ______________

By: Date:

Its:

Exhibit B

MEMORANDUM OF UNDERSTANDING

BETWEEN

MIAMI-DADE COUNTY, FLORIDA

AND

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this ___ day of ____________, 2013 by and between Miami-Dade County, Florida (the "County") and the Public Health Trust of the County (the "Trust") for the purpose of setting forth certain terms and conditions regarding the use of that certain $75,000,000 line of credit between the County and Wells Fargo Bank, National Association (the "Bank").

The County enacted Ordinance No. 13- (the "LOC Ordinance") authorizing a $75,000,000 line of credit (the "Line of Credit") to be made available to the County by the Bank. The County has agreed to allow the Trust to draw on the Line of Credit to (a) cover cash flow shortfalls in anticipation of reimbursements from the State of Florida (the "State"), (b) pay any cost of issuance, finance charges, late charges, collection costs, or other amounts due under the Line of Credit ("Costs") and (c) pay other short term working capital needs.

The Line of Credit is secured by a County covenant to annually budget and appropriate from all legally available non-ad valorem revenues of the County ("County Covenant") sufficient funds to pay the outstanding principal and interest ("P&I") and Costs on the Line of Credit. In exchange for the County Covenant, the County and the Trust agree as follows:

1. The Trust is allowed to borrow, pay and re-borrow the principal under the terms of the Line of Credit set forth in Exhibit "A" to this MOU and any related loan documents, provided the Trust is current in the payment of P&I and Costs and no event of default has occurred under this MOU and the related loan documents.

2. All draw requests by the Trust shall be presented first to the County and approved by the Deputy Mayor in charge of matters related to Finance or the Deputy Mayor in charge of matters related to the Trust before the Trust shall present such draw requests to the Bank. No draw request shall be submitted during the first 5 days of each quarter commencing in the first quarter after the first draw.

3. On the last business day of each quarter and on August 1 of each year, commencing with August 1, 2014, the Trust shall pay all outstanding P&I and Costs. From August 1 until October 1 of each year, commencing on August 1, 2014, no P&I and Costs shall be outstanding and the Trust shall not request any additional draws. Any outstanding P&I and Costs drawn after September 30 of each year, commencing on September 30, 2014, shall be paid no later than December 15, 2014, 15 days prior to the expiration of the Line of Credit

which is December 30, 2014 for the initial year of the Line of Credit and if the Line of Credit is extended by mutual agreement of the County and the Trust, any outstanding P&I and Costs shall be paid no later than15 days prior to the termination date designated by the County and the Trust in the extension.

4. If at any time the Trust fails to pay the P&I and Costs when due, the County has the right (i) to pay such P&I and Costs from (a) the one-half cent (.05%) discretionary sales surtax imposed pursuant to Chapter 212, Florida Statutes (the "Healthcare Surtax") collected by the County before it is remitted to the Trust and/or (b) County funds and such amount shall be deducted from the County funds to be remitted to the Trust pursuant to the maintenance-of-effort requirement imposed pursuant to Chapter 212, Florida Statutes (the "MOE"); and (ii) not to approve any additional draw requests.

5. The term of this MOU shall commence upon the effective date of its approval by the Board of County Commissioners of the County and the Trust's Board and shall continue until the termination of the Line of Credit and all obligations of the Trust have been fulfilled. The County may terminate the Line of Credit at any time. If the County terminates the Line of Credit, P&I and Costs shall be immediately due and payable.

6. This MOU shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the Trust and the County have executed this Agreement as of the day and year first set forth above by their duly authorized representatives.

Public Health Trust of Miami-Dade County

____

Name: Darryl K. Sharpton
Title: Chairman

Miami-Dade County, Florida

____

Name: Edward Marquez
Title: Deputy Mayor/Finance Director

Approved as to form and legal sufficiency by:

____

County Attorney