

Memorandum



Date: (Public Hearing 5-5-20)
April 7, 2020

To: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Agenda Item No. 5(A)

Subject: Ordinance Authorizing a Non- Revolving Line of Credit Not to Exceed \$150 Million from Wells Fargo Bank, N.A. For the Purpose of Providing Funds to the Public Health Trust

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the accompanying ordinance, which authorizes the following:

- The selection of Wells Fargo Municipal Capital Strategies, LLC (Wells Fargo) to provide capital via a line of credit (Credit Facility) in an amount not to exceed \$150 million for the purpose of providing operating capital to the Public Health Trust (Trust) in response to the overwhelming health care crisis sparked by the outbreak of coronavirus disease 2019 (COVID-19), funding a debt service reserve and the payment of related financing costs;
- Approval of the form of Wells Fargo commitment letter;
- Approval of the terms of the Memorandum of Understanding (MOU) with the Trust;
- County Mayor or County Mayor's designee to execute future extensions of the term of the Credit Facility if he/she determines, in consultation with the Financial Advisor, that the terms of the extension are favorable to the County;
- Waiver of Resolution No. R-130-06, which requires that any contracts of the County with third parties be executed and finalized prior to their placement on an agenda for Board consideration.

The approval of the \$150 million line of credit is necessary to ensure the Trust has adequate resources to help in keeping our community safe and reducing the risk of COVID-19.

The ordinance also authorizes the County Mayor or County Mayor's designee and other County officials to take all actions necessary to consummate the Credit Facility through related agreements consistent with the terms of the Wells Fargo commitment letter.

Scope

The scope of the transaction is countywide.

Fiscal Impact/Funding Source

The principal and interest of the proposed Credit Facility are payable on a subordinate basis from Pledged Revenues of the Trust as defined in the Master Ordinance. If such revenues are insufficient, amounts will be drawn from a debt service reserve. The County covenants to budget and appropriate legally available non-ad valorem revenues annually in an amount to replenish the debt service reserve.

Track Record/Monitoring

The Trust shall seek approval from the County for each draw made under the Credit Facility through Deputy Mayor/Finance Director, Edward Marquez. Mark Knight, Chief Financial Officer of Jackson Health System, will monitor the use of proceeds, and continuing disclosure will be managed by Arlesa Wood, Director of Bond Administration Division in the Finance Department.

Social Equity Statement

The proposed ordinance will provide operating capital to the Trust in response to the novel COVID-19 pandemic which continues to spread and pose serious health risks to the citizens of Miami-Dade County. It is absolutely necessary that the Trust have the essential resources to adequately respond to the COVID-19 pandemic. The principal and interest of the proposed Credit Facility are payable on a subordinate basis from Pledged Revenues of the Trust as defined in the Master Ordinance. If such revenues are insufficient, amounts will be drawn from a debt service reserve. The County covenants to budget and appropriate legally available non-ad valorem revenues annually in an amount to replenish the debt service reserve.

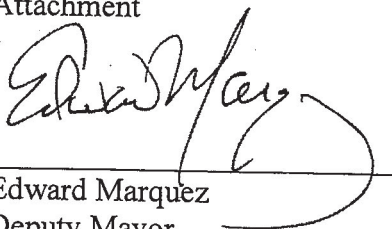
Background

The proposed Credit Facility was presented to the County by Wells Fargo at the request of and on behalf of the Trust. The purpose is to provide the Trust, through the County, sufficient operating capital to respond to the novel COVID-19 pandemic.

Due to the immediate urgency, a form of the Wells Fargo commitment letter is attached to the ordinance at the time of the first reading of the ordinance. The final commitment letter between the County and Wells Fargo will be presented to the Board for approval at its meeting of May 5, 2020, when the ordinance will be placed on the agenda for final consideration by the Board. Because the County is agreeing to replenish the debt service reserve in certain circumstances, it is necessary that the County and the Trust enter into an MOU, the form of which is attached to the ordinance, providing for the Trust's repayment obligation to the County.

Resolution No. R-130-06 provides that any County contract with a third party be finalized and executed prior to its placement on an agenda of the Board. The Credit Facility and the MOU will not have been executed until after the effective date of the ordinance and as such a waiver of Resolution No. R-130-06 is required.

Attachment



Edward Marquez
Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

DATE: May 5, 2020

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 5(A)

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
- ☐ Statement of social equity 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 present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____) 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(A)
5-5-20

ORDINANCE NO. _____

ORDINANCE APPROVING NON-REVOLVING LINE OF CREDIT IN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000.00 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 PLEDGED REVENUES OF THE PUBLIC HEALTH TRUST; ESTABLISHING AND FUNDING A DEBT SERVICE RESERVE FUND TO BE REPLENISHED, IF NECESSARY, FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES PURSUANT TO THE COUNTY'S COVENANT TO ANNUALLY BUDGET AND APPROPRIATE FUNDS FOR SUCH PURPOSE; APPROVING FORM AND EXECUTION 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 TO TAKE ALL ACTIONS NECESSARY TO SECURE LINE OF CREDIT INCLUDING ENTERING INTO RELATED AGREEMENTS AND DOCUMENTS WITH TERMS CONSISTENT WITH THOSE SET FORTH IN THE COMMITMENT LETTER; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXTEND LINE OF CREDIT IN THE FUTURE WITHOUT FURTHER BOARD ACTION; AUTHORIZING SELECTION AND APPOINTMENT OF TRUSTEE AND PAYING AGENT, IF NECESSARY; WAIVING PROVISIONS OF RESOLUTION NO. R-130-06; PROVIDING SEVERABILITY AND AN EFFECTIVE DATE

WHEREAS, the operation of the Jackson Health System expects increased costs ("Increased Costs") resulting from the Public Health Trust's ("Trust") response to the coronavirus disease 2019 (COVID-19) public health emergency 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 Trust solicited a proposal for a line of credit from Wells Fargo Bank, N.A. (“Wells Fargo”) to mitigate the Increased Costs; and

WHEREAS, Wells Fargo is willing to provide a non-revolving line of credit (the “Line of Credit”) to the County on behalf of the Trust secured by a subordinated lien on the Pledged Revenues of the Trust as defined in Ordinance No. 05-49, enacted by this Board on March 1, 2005, and as amended by Ordinance No. 17-1, enacted by this Board on January 24, 2017 (collectively, the “Master Ordinance”); and

WHEREAS, it is anticipated that a Debt Service Reserve Fund will be established and funded, at the level provided for in the Commitment (as such term is defined below), from the proceeds of the Line of Credit, to cover the debt service requirements for the Line of Credit, and any draws on the Debt Service Reserve Fund shall be replenished by the County, from Pledged Revenues of the Trust and if necessary, from legally available non-ad valorem revenues pursuant to the County’s covenant to annually budget and appropriate funds for such purpose; and

WHEREAS, it is the desire of this Board to assist the Trust by entering into the Line of Credit on the condition that the Trust enter into a Memorandum of Understanding with the County (“MOU”) which provides, among other provisions, that the principal and interest on the Line of Credit and any fees and costs of the Line of Credit (“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, this Board wishes to approve the terms of a commitment letter for the Line of Credit between the County and Wells Fargo (“Commitment”); and

WHEREAS, this Board wishes to authorize the County Mayor or County Mayor’s designee and any other County official to enter into any related agreements and certificates and to

do all things that may be necessary to effectuate the Line of Credit, provided the terms of such agreements and certificates are consistent with the terms of the Commitment; and

WHEREAS, additionally, to allow the County the flexibility to take advantage of favorable renewal rates and fees, this Board wishes to authorize the County Mayor or County Mayor's designee to extend the term of the Line of Credit in the future if, in consultation with the County's financial advisor, the Finance Director determines that such rates and fees are favorable to the County,

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

Section 1. This ordinance is enacted pursuant to the Constitution of the State of Florida, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, and other applicable provisions of law, including Chapters 125, 163 and 166, Florida Statutes.

Section 2. The Line of Credit is authorized in an aggregate principal amount not to exceed \$150,000,000.00 for the purpose of providing funds to the Trust so it can pay (i) any Increased Costs; 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 is approved in substantially the form attached as Exhibit "A" to this Ordinance. Security for the Line of Credit is a subordinated pledge of the Pledged Revenues of the Trust as defined in the Master Ordinance. Additionally, a Debt Service Reserve Fund shall be established and funded at the level provided for in the Commitment, from the proceeds of the Line of Credit, to cover the debt service requirements for the Line of Credit. Any draws on the Debt Service Reserve Fund shall be replenished by the County from Pledged Revenues of the Trust and, if necessary, from all legally available non-ad valorem revenues pursuant to the County's covenant

to annually budget and appropriate, including by amendment, if required, funds for such purpose. The phrase “all legally available non-ad valorem revenues” in the previous sentence shall have the meaning ascribed to it in the Master Ordinance.

Section 4. The County Mayor or the County Mayor’s designee is authorized to extend the term of the Line of Credit if, in consultation with the County’s financial advisor, he/she determines that the rates and fees are favorable to the County.

Section 5. The County Mayor or the County Mayor’s designee is further authorized to select and appoint a trustee and paying agent to act in such capacities for the Line of Credit if, in consultation with the County’s financial advisor, he/she determines that the selection and appointment of a trustee and paying agent is both necessary and favorable to the County.

Section 6. 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 7. The MOU with the Trust in which the Trust agrees to reimburse the County for the Debt Service from Trust Revenues is approved in substantially the form attached as “Exhibit B” to this Ordinance.

Section 8. The County Mayor, County Mayor’s designee, the Finance Director, Clerk and 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 9. 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.

Section 10. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 11. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

Prepared by:

Juliette R. Antoine

APW
JRA

Mark Knight
Executive VP & Chief Financial Officer
1611 NW 12th Avenue
South Wing 117
Miami, FL 33136

September 7, 2018

Dear Mark:

Wells Fargo Bank, National Association (“Wells Fargo” or “Bank”) is pleased provide a commitment to Miami Dade County under the terms and conditions described in this Term Sheet.

Obligor: Miami-Dade County for the benefit of Public Health Trust (the “Obligor”)

Purchaser: Wells Fargo Municipal Capital Strategies, LLC, a wholly owned subsidiary of Wells Fargo Bank, N.A, Wells Fargo Bank N.A., or any other wholly owned subsidiary of Wells Fargo Bank, N.A. (“Wells Fargo” or the “Bank”).

Facility Amount: Up to \$200,000,000

Structure: A bank facility with a 7 year final term and includes a 3 year non-revolving drawdown feature (the “Facility”).

Purpose: The proceeds will be used by the Obligor to bridge cash flow timing differences related to funding of the FY19 – FY23 Capital Improvement Plan.

Term: The facility will be structured as a non-revolving drawdown facility whereby the Bank will make advances for the first 3 years following closing. Amounts outstanding at the end of 3 years will amortize over a 4 year period in equal quarterly payments. The total combined term shall not exceed 7 years (the “Term”).

Security: The facility shall be secured by a subordinated lien on Pledged Revenues as defined in the Master Ordinance 05-49 (the “Master Ordinance”).

Documentation: To be determined based on an agreed upon structure with PHT and the County in form and substance satisfactory to the Bank.

Draw Down Mechanics: Draws will be in a minimum amount of \$5,000,000 each and will be made no more frequently than once a month. Bank will

receive at least two (2) business days' notice of a draw request. Conditions precedent to Draws will include no occurrence of an event of default and representations and warranties being true and correct.

Undrawn Fee:

35bps

Interest Rate:

A floating interest rate (i.e. the Index Rate) that resets monthly at 80% of One Month LIBOR* plus an Applicable Spread based on the term of the rate period as shown below:

- Seven Years: 91 bps

The Index Rate and Undrawn Fee are subject to adjustment upon a) the Obligor's debt secured by or payable from the Pledged Revenues being downgraded by any of Moody's, S&P or Fitch, b) the occurrence of an event of taxability, c) a reduction in the maximum federal corporate tax rate and/or d) the occurrence of an event of default.

*At any time when One Month LIBOR is less than 0.0% One Month LIBOR shall be deemed to be 0.0% for purposes of calculating the Index Rate.

Obligor has the option to prepay, subject to LIBOR breakage costs if repaid on a non-interest payment date.

We are assuming a tax-exempt interest rate for this facility. We will update pricing indication for taxable rate if appropriate.

Tax Treatment:

Interest on the Facility shall be excludable from gross income for federal income tax purposes. The Obligor shall take all steps necessary to maintain such tax exempt status for the Facility. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Facility is excludable from gross income for federal income tax purposes.

Other Fees:

Usual and customary for this type of financing, including amendment fees, termination fees and attorney's fees all of which shall be payable by the Obligor.

**Increased Costs
and Capital
Adequacy; Taxes:**

Usual and customer for this type of financing, and generally in accordance with the existing Wells Fargo PHT – GO drawdown facility.

Margin Rate Factor:

The Index Rate will be subject to adjustment by a Margin Rate Factor. The Margin Rate Factor means the greater of (i) 1.0, and (ii) the product of (a) one minus the prevailing Maximum Federal Corporate Tax Rate multiplied by (b) the quotient of (A) one divided by (B) (1) one minus (2) the Maximum Federal Corporate Tax Rate at closing. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

The Maximum Federal Corporate Tax Rate is currently 21% such that the current Margin Rate Factor equals 1.0. The Margin Rate Factor will not go below 1.0.

Principal Financial Covenants:

In accordance with existing financial covenants in Master Ordinance including but not limited to Section 8.17 of the Master Ordinance assuming the sum of all outstanding Advances plus interest are payable in equal annual payments over a 4 year period. For purposes of this calculation, interest on the subject facility shall be calculated at 12% per annum. The ABT will be tested at closing based on the full \$200mm facility.

A Debt Service Reserve Fund will be established and funded up at each advance at a sufficient level to cover 2/3rd of the quarterly debt service requirements assuming a 4 year level amortization at 12% rate. The County's covenant pursuant to Section 5.08 of the Master Ordinance will include the replenishment any deficiency of the Debt Service Reserve Fund required on the subject facility. Any such deficiency shall be satisfied by the County within (3) months in equal monthly installments. When the loan switches from the interest only draw period into the 4yr amortization period, the County will fund monthly sinking fund deposits based on the scheduled quarterly P&I payments.

The County covenants that the Health Care Surtax will be applied to pay scheduled debt service on the subject facility in a similar manner as the existing PHT Revenue Bonds pursuant to a Memorandum of Understanding to be executed between the County and the Trust and acceptable to the Bank.

Other Covenants:

In accordance with the Master Ordinance as well as covenants that are usual and customary for this type of financing and similar to existing Wells Fargo PHT – GO drawdown DP with the County.

Base Rate: Greatest of (i) drawn rate + 3%, (ii) the Bank's Prime Rate plus 1.50%, (iii) the Federal Funds rate plus 2.00%, or (iii) 8.5%.

Default Rate: Base Rate plus 3.50%.

Repayment: Interest will be paid quarterly.

Principal will be repaid in equal quarterly installments after the third anniversary with final payment due at the end of year 7.

Obligor has option to prepay subject only to LIBOR breakage costs.

**Termination/
Reduction Fee:**

If the facility is terminated for any reason within the first year following its delivery, on the date of termination, the Obligor will be required to pay (i) all amounts then due and owing to the Bank and (ii) one year of the Undrawn Fee (Undrawn Fee multiplied by the Facility Amount) less the Undrawn Fee already paid.

If the Facility is permanently reduced within the first year following its delivery, the Obligor will be required to pay all amounts due the Bank to such date relating to such reduced amount plus an amount equal to the Undrawn Fee that would have been payable through the remainder of the first year on such reduced amount.

**Reporting
Requirements:**

Usual and customary for this type of financing.

**EMMA and Rating
Agency Disclosure:**

To maintain transparency with its existing bondholders and the rating agencies, Wells Fargo requests that the Obligor a) post the Resolution and Continuing Covenant Agreement (or equivalent bank agreement) on the MSRB's EMMA site following the closing of the transaction, provided that pricing and certain other information contained therein, as directed by the Bank, shall be redacted prior to such posting and b) deliver relevant financing documents to the rating agencies.

Instructions on EMMA posting can be found at:
<http://msrb.org/msrb1/EMMA/pdfs/CDSubmissions.pdf>

Taxability:

In the event a determination of taxability shall occur, in addition to the amounts required to be paid with respect to the Bonds under the Financing Documents, the Obligor shall be obligated to pay to the Bank an amount equal to a) the positive difference, if any, between the amount of interest that would have been paid during the period of taxability if the Bonds had borne interest at the Taxable Rate and the interest actually paid

to the Bank as the owner of the Bonds and b) any payments, including any taxes, interest, penalties or other charges, such Bondholder (or Beneficial Owner) or former Bondholder (or Beneficial Owner) shall be obligated to make as a result of the determination of taxability.

Taxable Rate: The product of (i) the Index rate and (ii) one divided by one minus the prevailing Maximum Federal Corporate Tax Rate.

Reps and Warranties: Usual and customary for this type of financing.

Transfer Provisions: While the Bank is purchasing the Facility for its own account without a current intention to transfer them, the Bank reserves the right in its sole discretion to sell the Facility or assign, pledge or participate interests in the Facility without the consent of the Obligor.

Events of Default: Usual and customary for this type of financing including, but not limited to, payment and covenant default/cross acceleration with debt secured by the Pledged Revenues, bankruptcy/insolvency or debt moratorium with respect to Obligor or the Trust, invalidity or contest of Obligor's or Trust's obligations, downgrade of Hospital Revenue Bonds below investment grade, withdrawal or suspension of the rating assigned to the Obligor's outstanding senior lien bonds, failure by the Obligor to pay one for more judgements against the Obligor individually or in the aggregate in excess of \$50MM.

Remedies Upon Event of Default: Usual and customary for this type of financing, including, but not limited to, acceleration, set off and rights against collateral. Interest accrues daily on such amounts at the Default Rate and is payable on demand.

Confidentiality: This Term Sheet is confidential and proprietary, and terms herein may not be disclosed without our prior written consent, except to your professional advisors in connection with this Financing who agree to be bound by such confidentiality requirements, or as may be required by law.

Notwithstanding anything herein to the contrary, any party hereto may disclose to any and all persons, without limitation of any kind the tax treatment or tax structure of this transaction. Furthermore, the parties to this transaction may disclose, as required by federal or state laws, any information as required to comply with such federal or state laws.

Unless this Term Sheet is earlier rescinded, it shall expire automatically without further action or notice by the Bank on November 10, 2018.

Please be advised that the transaction described herein between Wells Fargo and you is a bank purchased bond transaction ("Direct Purchase") and a product offering of Wells Fargo Bank, N.A. ("WFBNA") or Wells Fargo Municipal Capital Strategies, LLC, a subsidiary of WFBNA ("WFMCS"), as purchaser/investor ("Purchaser"). Wells Fargo Securities will not participate in any manner in any Direct Purchase transaction between you and Purchaser, and Wells Fargo employees involved with a Direct Purchase transaction are not acting on behalf of or as representatives of Wells Fargo Securities. Information contained in this document or provided to you regarding Direct Purchase is for discussion purposes only in anticipation of engaging in arm's length commercial transactions with you in which Purchaser would be acting solely as a principal to purchase securities from you or a conduit issuer (in the case of a conduit transaction), and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether Purchaser, or an affiliate has or is currently acting as such on a separate transaction. Additionally, Purchaser has financial and other interests that differ from your interests. Any information relating to a Direct Purchase transaction is being provided to you pursuant to and in reliance on the bank exemption under the municipal advisor rules ("Muni Advisor Rules") of the Securities and Exchange Commission ("SEC") or the SEC's guidance in its Registration of Municipal Advisors Frequently Asked Questions dated May 19, 2014 and the general information exclusion to advice under the Muni Advisor Rules. Purchaser will not have any duty or liability to any person or entity in connection with the information provided herein.

The Obligor acknowledges and agrees that: (i) Wells Fargo Bank, N.A. has not assumed any advisory or fiduciary responsibility to the Obligor with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Wells Fargo Bank, N.A. or its affiliates have provided other services or are currently providing other services to the Obligor on other matters); (ii) the only obligations Wells Fargo Bank, N.A. has to the Obligor with respect to the transaction contemplated hereby expressly are set forth in this term sheet; and (iii) the Obligor has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Best Regards,

Stephen Lenehan
Senior Vice President
Wells Fargo Bank, N.A.

Cc: Sergio Masvidal

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 _____, 2020 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 \$100,000,000.00 line of credit between the County and Wells Fargo Bank, N.A. (the "Bank").

The County enacted Ordinance No. _____ (the "LOC Ordinance") authorizing a \$100,000,000.00 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) provide sufficient operating capital to mitigate cash flow impacts in response to the overwhelming health care crisis sparked by the outbreak of the coronavirus (COVID-19) (b) fund a debt service reserve; and (c) pay any cost of issuance, finance charges, late charges, collection costs, or other amounts due under the Line of Credit ("Costs").

The Line of Credit is secured by a subordinated lien on the Pledged Revenues of the Trust as defined in Ordinance No. 05-49, enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on March 1, 2005, and as amended by Ordinance No. 17-1, enacted by the Board on January 24, 2017. If such revenues are insufficient to pay the current principal and interest ("P&I") and Costs on the Line of Credit, amounts will be drawn from a debt service reserve fund, which will be replenished from all legally available non-ad valorem revenues pursuant to the County's covenant and annually budget and appropriate funds for such purpose. In exchange for such County covenants, the County and the Trust agree as follows:

1. The Trust is allowed to borrow and pay the principal under the terms of the Line of Credit 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 both the Finance Director and the Deputy Mayor in charge of matters related to the Trust before the Trust shall present such draw requests to the Bank.
3. 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 the (a) one-half percent (.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.

4. The term of this MOU shall commence upon the effective date of its approval by the Board and the Trust's Board and shall continue until 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 immediate due and payable.
5. 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:
Title: Chairman

Miami-Dade County, Florida

Name: Edward M. Marquez
Title: Deputy Mayor/Finance Director

Approved as to form and legal sufficiency by:

County Attorney