


# Memorandum



**Date:** May 5, 2020

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

**From:** Carlos A. Gimenez  
Mayor 

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

Substitute  
Agenda Item No. 5(A)

**This substitute differs from the original item in that it; 1) changes the line of credit from a non-revolving line of credit to a revolving line of credit; 2) establishes a term of not to exceed 364 days from the effective date; 3) amends the primary security for the line of credit from the Public Health Trust's revenues to the County's covenant to annually budget and appropriate sufficient legally available non-ad valorem revenues; 4) replaces Exhibit A to include the negotiated commitment letter between the County and Wells Fargo; and 5) revises Exhibit B to memorialize the Public Health Trust's obligation to be the primary payor of the amounts due under the line of credit.**

## 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 revolving line of credit (Credit Facility) in an amount not to exceed \$150 million outstanding at any one time 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), and the payment of related financing costs;
- Approval of the 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 Credit Facility 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 Trust will use its net operating revenues to pay for all draws and costs of the Credit Facility.

The terms of the Credit Facility provides that the County guarantee the Trust's commitment to make all payments with a County covenant to budget and appropriate annually sufficient legally available non-ad valorem revenues of the County. Pursuant to the terms of the MOU, the County will have the right to deduct any payment made on the Credit Facility by the County from the Trust's one half cent healthcare sales surtax prior to remitting the surtax to the Trust.

**Track Record/Monitoring**

The Trust will 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**

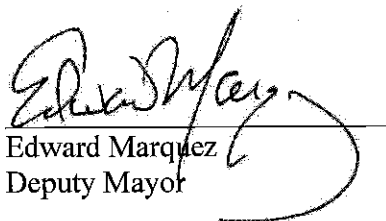
The proposed ordinance will provide operating capital to the Trust in response to the novel COVID-19 pandemic which continues to spread and pose serious health risks to the citizens of Miami-Dade County. It is of great benefit to the health and wellness of the citizens of the County that the Trust have the essential resources to adequately respond to the COVID-19 pandemic.

**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.

The commitment that was negotiated with Wells Fargo is attached as Exhibit A to the Ordinance. Pursuant to the commitment, the Credit Facility will have a term not to exceed 364 days from its effective date. The County will covenant to budget and appropriate from all legally available non-advalerom revenues sufficient funds to pay the Credit Facility. It is necessary for the County and the Trust to enter into an MOU attached as Exhibit B to the Ordinance in order to memorialize the Trust's obligation to serve as the primary payor of the amounts due under the Credit Facility.

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.

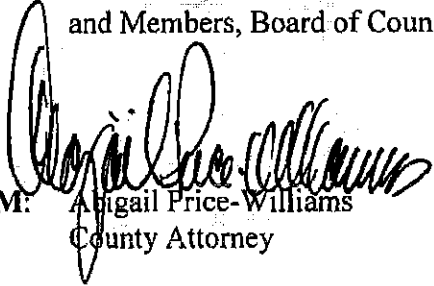
  
Edward Marquez  
Deputy Mayor



**MEMORANDUM**  
(Revised)

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

**DATE:** May 5, 2020

**FROM:**   
Abigail Price-Williams  
County Attorney

Substitute  
**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 \_\_\_\_\_

Substitute  
Agenda Item No. 5(A)  
5-5-20

ORDINANCE NO. \_\_\_\_\_

ORDINANCE APPROVING REVOLVING LINE OF CREDIT IN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000.00, OUTSTANDING AT ANY ONE TIME, 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 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; WAIVING PROVISIONS OF RESOLUTION NO. R-130-06; AND 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 >>short-term revolving<<<sup>1</sup> ~~[[non-revolving]]~~ line of credit (“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]]~~

>>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, 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)]]~~

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<sup>1</sup> The differences between the substitute and the original item are indicated as follows: Words double stricken through and/or ~~[[double bracketed]]~~ shall be deleted, words double underlined and/or >>double arrowed<< are added.

>>WHEREAS, the County proposes to enter into a Memorandum of Understanding with the Trust which provides, among other provisions, that the Debt Service shall be paid from certain Trust revenues<< 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.** >>The matters contained in the foregoing recitals are incorporated in this Ordinance by reference.<<

**Section[[1]]>>2<<. 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]]~~ **>>3<<**. The Line of Credit is authorized in an aggregate principal amount not to exceed \$150,000,000.00 >>, outstanding at any one time, << 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]]~~ **>>4<<**. 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.]]~~ **>>includes a County covenant to appropriate in, 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 shall have the meaning ascribed to it 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").<<**

**Section** ~~[[4]]~~ **>>5<<**. 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]]~~ >>Memorandum of Understanding<< 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]]~~ >>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 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



Date: April 17, 2020

Mrs. Arlesa Wood  
Director of Bond Administration  
Miami-Dade County  
111 NW 1<sup>st</sup> St, 25<sup>th</sup> FL  
Miami, FL 33128

Wells Fargo Bank, National Association ("Wells Fargo" or "Bank") is pleased to provide a commitment to Miami-Dade County under the terms and conditions described herein.

**Obligor:** Miami-Dade County (the "Obligor").

**Facility and Purpose:** A Tax-Exempt Revolving Credit Facility (the "Facility") to provide funds to the County that will be lent by the County to Miami-Dade County Public Health Trust (the PHT) to cover cashflow shortfalls related to Covid-19. The obligation of the Obligor to repay amounts advanced under the Facility will be evidenced by a Note (as defined below) payable to the Bank.

**Maximum Facility Amount:** In the maximum principal amount of up to \$100,000,000. Upon request of County the Maximum Facility Amount may be increased by \$50,000,000 in the sole discretion of the Bank.

**Bank:** Wells Fargo Bank, National Association (the "Bank").

**Financing Documentation:** The parties will enter into a Revolving Credit Agreement (the "Agreement") pursuant to which Advances will be made from time to time by the Bank which collectively shall constitute the Loan. The Loan will be evidenced by a Note. The Agreement and Note will be authorized pursuant to a Resolution/Ordinance adopted by the County. The Agreement will contain standard closing conditions, representations and warranties, covenants, events of default and remedies. The Note, the Resolution/Ordinance and the Agreement are herein collectively referred to (along with any amendment, supplement or restatement of any or all of the foregoing) as the "Financing Documents." The Financing Document shall be, in form and substance, satisfactory to the Bank.

**Maturity Date/ Commitment Expiration Date:** 364 Days from the effective date of the Facility.

**Tax Treatment:**

Interest on each Advance under 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. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank and its counsel which concludes that interest on each Advance is excludable from gross income for federal income tax purposes.

**Security:**

Payments owed under the Agreement and the Note will be secured by a Covenant to Budget and Appropriate from all legally available non-ad valorem revenues of the County.

**Advance  
Mechanics:**

The Bank shall make Advances pursuant to the Agreement from time to time at the request of the County from the closing date to the Commitment Expiration Date in an aggregate amount not to exceed the Maximum Facility Amount.

- Advances: Minimum amount of \$1,000,000
- Frequency: Not more than four Advances during any 30 day period
- Notice: 2 Business Days

**INTEREST RATES AND OTHER KEY PROVISIONS:**

**Drawn Rate:**

The Advances shall bear interest at a per annum rate of interest equal to the sum of (i) the product of the One Month LIBOR\* (the "Index") and .80% (the "Applicable Factor") and (ii) 85 basis points (the "Applicable Spread") (the "Drawn Rate"). Interest on the outstanding Advances shall be payable on the first Business Day of each month.

The Advances shall bear interest at the Drawn Rate so long as no Event of Default exists.

The Drawn Rate payments are payable on the first Business Day of each calendar month.

The Drawn Rate will be subject to adjustment as described below.

\*At any time when One Month LIBOR is less than 1.0% One Month LIBOR shall be deemed to be 1.0% for purposes of calculating the Index Rate.

**Undrawn Fee:**

The Obligor shall pay to the Bank an Undrawn Fee computed as 40 basis points per annum on the Bank's Undrawn Commitment (i.e. the difference between the total Commitment

under the Agreement less the outstanding principal amount of Advances made by the Bank). The Undrawn Fee shall be calculated on the basis of a 360 day year and the actual days elapsed, and paid quarterly in arrears.

**Computation Basis:** Computations of interest shall be calculated on the basis of a 360-day year and actual days elapsed.

**Base Rate:** The greatest of:

- (i) The Bank's Prime Rate plus 1.00%
- (ii) The Federal Funds Rate plus 2.00%
- (iii) Drawn Rate + 3%; or
- (iv) 8.50%

**Bank Rate:** Days 1 – 180: Base Rate

Thereafter: Base Rate plus 1.00%

**Default Rate:** Base Rate plus 3.00%.

**Clawback Amounts:** The Agreement will include customary interest recapture ("clawback") language allowing Bank to recover interest in excess of any maximum interest rate imposed by law.

#### **PAYMENT OF FEES AND EXPENSES:**

**Timing / Computation  
Of Payments:**

All fees are non-refundable. Any Bank Counsel fees and expenses are payable at closing in immediately available funds.

Obligor shall be responsible for all out of pocket costs and expenses of the Bank incurred in connection with the negotiation, execution, delivery, administration and enforcement of the Facility, including, without limitation, the legal fees and expenses of counsel to the Bank, whether or not the Facility closes.

**Prepayment:** Permitted in whole or in part on any interest payment date, with prior notice but without premium or penalty (except LIBOR breakage costs) and including accrued and unpaid interest, subject to limitations as to minimum amounts of prepayments.

**Repayment:** All amounts not otherwise repaid to the Bank with respect to the Advances and other amounts due and owing under the Agreement prior to the Maturity Date shall be due and payable in full on the Maturity Date. Any amounts with respect to the Advances or other amounts due and owing under the

Agreement not repaid on the Maturity Date shall be due and payable on demand and shall bear interest at the Default Rate.

**DOCUMENTATION AND COVENANTS:**

**General:**

The Resolution/Ordinance including necessary or desirable amendments, supplements and/or restatements will be prepared by Bond Counsel based upon forms and/or required language provided by Bank Counsel. Bank Counsel will prepare the Agreement and the Note and will review the Resolution/Ordinance. The Financing Documents will include, but not be limited to, the terms and conditions outlined herein as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies

**Conditions Precedent to Closing:**

Standard for facilities of this type, including but not limited to, delivery of satisfactory loan documents; delivery of the most recent audited financial statements for the Obligor; non DTC CUSIP # assigned to the Note; receipt of certificate of incumbency authorizing parties to sign the Financing Documents, delivery of satisfactory opinions of counsel and execution and delivery such additional documents, certificates and instruments as the Bank and its counsel may require. In addition, the Bank shall have received any additional documentation and financial information the Bank deems relevant including but not limited to preliminary 2019 Audit and Anti-Dilution Test.

**Conditions to Each Advance:**

Usual and customary for transactions of this type including, but not limited to: (i) timely delivery of duly completed request for Advance; (ii) all representations and warranties are true and correct as of the date of each Advance, and (iii) no default or event of default exists at the time of, or after giving effect to the making of, such Advance.

The Obligor may request Advances under the Facility from time to time upon two (2) Business Days prior written notice to the Bank and upon satisfaction of the conditions precedent described above.

Once advanced and repaid amounts may be re-borrowed under the Facility, provided that principal amount of Advances outstanding shall not exceed the Maximum Facility Amount. The Facility is revolving. The Bank shall not be obligated to

honor more than one Advance per day or an Advance in an amount less than \$1,000,000.

**Representations and Warranties:**

Usual and customary, including, but not limited to, the following: Financing Documents valid, binding and enforceable against Obligor; Financing Documents not violating laws or existing agreements or requiring governmental, regulatory or other approvals; no material litigation; no existing defaults; financial statements and all other information provided to the Bank regarding the Obligor is true, complete and correct; pending legislation and decisions; compliance with federal reserve regulations; representation as to security; no violation of usury limitations; compliance with Patriot Act and anti-money laundering provisions and no right to invoke sovereign immunity with respect to Financing Documents.

**Financial Covenants:**

In addition to the financial covenants contained in the Obligor's other debt instruments, the following covenants shall apply:

- At all times and prior to the issuance of debt secured by or payable from a Covenant to Budget and Appropriate or Legally Available Non-Ad Valorem Revenues, the County must evidence compliance with a 2x Anti-Dilution Test calculated in accordance with Exhibit A attached. For purposes of calculating Maximum Annual Debt Service variable rate debt shall be assumed to bear interest at 12% per annum. In addition, any bullet debt, Letters of Credit, supporting bonds and the subject facility shall be assumed to be fully drawn and amortize over 20 years.

**Reporting Requirements:**

Usual and customary, including but not limited to: delivery of audited annual financial statements and evidence of compliance with Anti-Dilution Test in the form of Exhibit A with supporting schedules within 270 days of fiscal year-end, and certificate of no default within 270 days of fiscal year-end, Annual Budget within 30 days fiscal-year end, notices of default, ratings downgrade and material litigation proceedings.

**Other Covenants:**

The Financing Documents will include customary affirmative covenants including, without limitation, payment of other obligations; maintenance of existence; compliance with laws and material contractual obligations; maintenance of books and records; right of the Bank to inspect property and books and records; incorporation of covenants in related transaction documents by reference; limitations on sale, lease and transfer of assets; compliance with Patriot Act provisions; compliance

with Anti-Dilution Test; waiver of sovereign immunity and no amendment to related transaction documents.

**EMMA Filings:**

Any filings of Financing Documents with the MSRB's EMMA site following the closing of the transaction shall not include sensitive or confidential information regarding the Bank

**Taxability:**

In the event a determination of taxability shall occur, in addition to the amounts required to be paid 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 Advances had borne interest at the Taxable Rate and the interest actually paid to the Bank and b) any payments, including any taxes, interest, penalties or other charges.

**Taxable Rate:**

The product of (i) the Drawn Rate and (ii) one divided by one minus the prevailing Maximum Federal Corporate Tax Rate in effect on the date of calculation.

**EVENTS OF DEFAULT:**

**Events of Default:**

Customary events of default, including, without limitation: (a) nonpayment, (b) breach of representations or covenants, (c) cross default with any enterprise fund indebtedness of the County in excess of \$20,000,000, and debt of the County payable from or secured by a covenant to budget and appropriate Non Ad Valorem revenues, or any debt of the County to the Bank, (i) is not paid when due nor within any applicable grace period in any agreement or instrument relating to such debt, or (ii) becomes due and payable or becomes capable of being declared due and payable before its scheduled maturity by reason of default or event of default, however described, or (d) a moratorium is declared with respect to the payment of the Obligor's indebtedness; (e) bankruptcy and insolvency events with respect to Obligor, (f) invalidity or contest of Obligor's obligations; or (g) nonpayment of judgements over \$50MM

**Remedies Upon Event of Default:**

Upon the occurrence and during the continuation of and Event of Default the Bank may direct acceleration of the Loan , exercise right of set-off, terminate the commitment to make Advances under the Facility, pursue rights with respect to any collateral , exercise any other rights or remedies available by law or under contract. The Note and all other amounts owed under the Financing Documents shall bear interest at the Default Rate.

**OTHER FEES AND EXPENSES:**

**Bank Counsel:** Estimated at \$30,000, plus fees and expenses, subject to increase if the transaction is not closed within 15 days, if the security or structure of the transaction changes materially, or if other complexities develop.

**Termination/  
Reduction Fee:** If the Facility is reduced or terminated for any reason within the first year following its delivery, on the date of reduction or termination, the Obligor will be required to pay a fee equal to the Undrawn Fee on the amount by which the Facility is reduced for the period from the date of reduction or termination to the first anniversary of the Facility closing date.

**Amendment And  
Related Fees:** Obligor shall pay to the bank the following additional fees (i) an amendment fee or transfer fee in a minimum amount of \$2,500.00, plus associated legal expenses; and (ii) all other fees charged by the Bank regarding the Facility.

**Increased Costs  
And Capital  
Adequacy; Taxes:** Customary for facilities of this type, including, without limitation, provisions concerning increased costs, taxes, changes in capital adequacy, capital requirements and other requirements of law (provided that (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (b) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall in each case be deemed to be a change in requirement of law, regardless of the date enacted, adopted, issued or implemented) or their interpretation, illegality, unavailability, and reserves without proration or offset and payments free and clear of withholding or other taxes.

**CHOICE OF LAW/JURY TRIAL:**

**Governing Law:** This Commitment Letter and the Financing Documents will be governed by the laws of the State of Florida

**Jury Trial:** To the extent permitted by law, the Obligor agrees to waive a jury trial in any proceeding involving the Bank.



**MISCELLANEOUS:**

**Bank Contacts:**

Stephen Lenehan  
Senior Vice President  
450 S. Australian Avenue, 7<sup>th</sup> Floor  
West Palm Beach, FL 33401-5008  
T: 561.650.2364  
E: [stephen.lenehan@wellsfargo.com](mailto:stephen.lenehan@wellsfargo.com)

**Bank Counsel  
Contacts:**

Paul Smith  
Kutak Rock LLP  
Suite 800  
2300 Main Street  
Kansas City, MO 64108  
T. 816. 502-4619  
E. [paul.smith@kutakrock.com](mailto:paul.smith@kutakrock.com)

**Indemnification:**

The proposed Facility will include customary indemnification of the Bank in all cases except where the Bank has proven to have been guilty of gross negligence or willful misconduct.

**Transfers:**

The Bank reserves the right, in its sole discretion, to assign, pledge or participate interests in the Advances in the Facility without the consent or notice to the Obligor, and such assignees and/or participants shall have the benefit of the agreements and covenants of the Obligor under the Financing Documents.

**Future Modifications:**

The terms, conditions and pricing are subject to revision in the event that (i) the Facility Amount changes, (ii) the transaction deviates materially from what was initially described, (iii) the proposed financing does not close (other than as a result of action/inaction by the Bank) within 15 days of the execution of this Commitment Letter or (iv) events occur resulting in a material disruption of the market.

**Disclaimer:**

Please be advised that the transaction described herein between Wells Fargo and you is a bank loan transaction (the "Direct") and a product offering of Wells Fargo Bank, N.A. ("WFBNA") or Wells Fargo Municipal Capital Strategies, LLC, a subsidiary of WFBNA ("WFMCS"), as lender ("Bank"). Wells Fargo Securities will not participate in any manner in the Direct Loan transaction between you and the Bank, and Wells Fargo employees involved with the Direct Loan 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 Loan is for discussion purposes only in anticipation of engaging in arm's length commercial transactions with you in which Bank

would be acting solely as a principal to make a loan to you, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether Bank, or an affiliate has or is currently acting as such in a separate transaction. Additionally, Bank has financial and other interests that differ from your interests. Any information relating to the Direct Loan 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. Bank 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 herein ; and (iii) the Obligor has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

**Confidentiality:**

This letter 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.

**AGREEMENT BY THE OBLIGOR:**

**Closing:**

The contents of this proposal and any subsequent discussions between us, including any and all information and analysis with respect to product is provided to you in reliance upon your compliance with the guidance of the staff of the SEC's office of



Municipal Securities in order for a request for proposal to be consistent with the exemption for responses to requests for proposals or qualifications provided under the municipal advisor rules (the "Muni Advisor Rules") of the Securities and Exchange Commission (the "SEC") (240 CFR 15Ba1-1 et seq.).

In submitting this proposal (a) Wells Fargo Bank ("Wells Fargo") is not acting as an advisor to Miami-Dade County ("you") and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the information and material contained in this proposal; (b) Wells Fargo is acting for its own interests; and (c) you should discuss any information and material contained in this proposal with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

Please evidence your acceptance hereof by signing and returning a copy to the Bank.

This Commitment Letter shall expire automatically without further action or notice by the Bank on May 15, 2020 unless a signed counterparty of this Commitment Letter is delivered to the Bank.

**ACCEPTED AND AGREED TO:**

**BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

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 \$150,000,000.00 line of credit between the County and Wells Fargo Bank, N.A. (the "Bank").

The County enacted Ordinance No. \_\_\_\_\_ (the "LOC Ordinance") authorizing a \$150,000,000.00 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) and (b) 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 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 Cost 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 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 the related loan documents.
2. All draw requests by the Trust shall be presented first to the County and approved by the Finance Director 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

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Name:  
Title: Chairman

Miami-Dade County, Florida

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

Approved as to form and legal sufficiency by:

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County Attorney