

DADE COUNTY (FLORIDA) EDUCATIONAL FACILITIES AUTHORITY  
PROCEDURES FOR ISSUANCE OF BONDS

INTRODUCTION

The Dade County (Florida) Educational Facilities Authority (the "Authority") will consider providing tax-exempt bond financing for projects which meet the goals of the Authority and comply with applicable federal and state law. The Authority has adopted the following guidelines to set forth the general requirements and procedures which apply to the financing of such projects. The Authority may waive specific provisions of these guidelines where good cause is shown and adequate supporting documentation is provided. Any waiver is at the sole discretion of the Authority.

In addition, these guidelines may be amended, revised, repealed or otherwise altered by the Authority with or without notice, subject to changes in federal and state law.

The Authority shall not issue obligations to provide financing for any project unless the applicant has satisfied and complied with the filing and procedural general requirements set forth in these guidelines. The Authority reserves the right to impose additional requirements on any particular project, including the employment of a financial advisor to assist the Authority in evaluating the project. Compliance with these guidelines does not and shall not create any right by an applicant to a commitment or assurance that the Authority will provide the requested financing.

I. GENERAL REQUIREMENTS.

A. Location

The Authority shall not issue obligations to provide financing for any project unless it is located entirely within the boundaries of Dade County, Florida (the "County").

B. Eligible Projects.

The Authority will provide financing for projects which are in compliance with the provisions of Part II of Chapter 243, Florida Statutes.

C. Fees and Expenses.

Each application submission shall include a non-refundable processing fee in the amount of seven thousand dollars (\$7,000) payable to the Dade County (Florida) Educational Facilities Authority in the form of a cashier's check.

The applicant for whom the Authority is issuing its bonds (the "Bonds") will be responsible for all fees and expenses of the Authority's Bond Counsel, its Financial Advisor if applicable, and Staff in connection with each bond issue. Such expenses, where eligible under the Internal Revenue Code, are to be financed through bond proceeds and will be considered part of the Bonds authorized for issuance by the Authority.

At the closing of the Bonds, the following fees will be due and payable by the applicant:

1. Administrative fee equal to one-quarter of one percent (1/4 of 1%) of the principal amount of the Bonds up to a maximum credit of Twelve Thousand Dollars (\$12,000).

2. Payment of appropriate fees to Bond Counsel and to Financial Advisor if applicable.

II. APPLICATION PROCESS.

A. Application.

All items referred to herein under this Subsection A shall collectively be referred to as the "Application". An application form has been provided as Exhibit A hereto for guidance in preparing the Application.

If the Bonds are not issued, the applicant shall in all events be liable for the payment of the disbursements and out-of-pocket expenses of Bond Counsel, Staff and Financial Advisor, if applicable.

Application for the issuance of Bonds shall be made directly to the Authority at the following address:

Dade County Educational Facilities Authority  
c/o Metro Dade County Finance Director's Office  
Metro Dade Center  
111 N.W. 1st Street, Suite 2550  
Miami, Florida 33128-1995

and shall include, at a minimum, the following information:

1. The applicant's name, address, and telephone number as well as names, addresses, and telephone numbers of principal operating officers;

2. The specific principal amount requested to be raised by issuance of the Bonds;

3. Description of the Applicant, including its history, accreditation and memberships, Board of Trustees, facilities, equipment and plant assets (current replacement cost, fair value or insurance valuation); faculty and staff (full-time vs. part-time, percent of faculty with Ph.D's, student/faculty ratio); enrollment statistics (application received, accepted and enrolled over last 5 years); tuition and fees; student financial aid; gifts, grants and bequests (fund-raising drives, pension funds); endowment and similar funds; outstanding obligations (including prior tax-exempt bond financed projects).

4. Audited Financial Statements for the preceding five (5) years.

5. A project description which includes the following:

(a) A statement describing in general terms the project;

(b) A breakdown of the project costs including construction costs, soft costs, acquisition costs and any others;

(c) A pro forma Income Statement which details the projected income and expenses for the first 3 years of the project for the revenue source to be pledged to secure the Bonds;

(d) A timetable which indicates all phases of project development including financing phase, construction phase, and rent up and occupancy, if applicable; and

(e) A project site plan.

6. If federal or state subsidy is to be provided, include the form of subsidy and evidence of the award of the subsidy for the development and confirmation thereof.

7. A statement as to the proposed method of sale of the Bonds:

(a) If the obligations are to be publicly sold, the Bond structure must be of an investment grade rating of "A" or better by Standard & Poor's Corporation and/or Moody's Investors Service. In such case, the applicant must indicate the type and nature of the proposed credit or surety, if any, and the name and telephone number of a contact person at the appropriate institution.

(b) If the Bonds are to be privately placed, the Authority may consider a different investment grade.

(c) In the case of a private placement transaction, the applicant of such project shall, at closing, provide the Authority with an executed investment letter from the investor purchasing the obligations, substantially to the effect that it: (1) is engaged in the business, among other things, of investing in tax-exempt securities or is an "accredited investor" as defined in Regulation D, Rule 501(a) promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933; (2) has made an independent investigation into the financial position and business condition of the applicant and therefore waives any right to receive such information from the Authority and relieves the Authority and its agents and representatives of any liability for failure to provide such information; (3) has received copies of the financing and security documents pursuant to which such obligations are issued and secured and has had the opportunity to review such documents to its satisfaction; and (4) is purchasing such obligations for its own account, with the purpose of investment and not with a view to the distribution or resale thereof (subject, however, to its rights to sell, pledge, transfer, or otherwise dispose of such

obligations at some future date in accordance with the provisions of this section).

8. The application fee and initial BC fee as set forth above.

9. An executed Expense and Indemnity Agreement.

The applicant shall be required to execute an Expense and Indemnity Agreement, in form and substance satisfactory to the Dade County Attornye's Office and Bond Counsel, whereby the applicant agrees to be liable for payment of bond issuance expenses and to indemnify the Authority and its members, officers, agents, attorneys and employees against any and all claims and liability arising out of the issuance of the Bonds, whether or not the transaction is completed.

B. Application Review

The Application for the Bonds will be reviewed by the Office of the Finance Director (the "Staff"), Bond Counsel and the Financial Advisor, if applicable. In order to be considered by the Authority, complete Applications must be received by the Staff no later than two (2) weeks prior to the Authority meeting. Staff reviewing the Application shall conduct an analysis of the Application and make an initial determination as to whether to recommend that the proposed financing be accepted for further evaluation under these procedures and federal and state law. If a determination is made that the Application should not be accepted, Staff shall prepare a report for the next meeting of the Authority to that effect, and provide copies thereof to the applicant five (5) calendar days prior to such meeting.

If the initial analysis results in a determination by Staff that the Application should be accepted for further evaluation, the following in-depth analysis shall be performed by Staff:

1. The financial soundness of the applicant;
2. Conformance of the Project with legal restrictions governing the Bonds; and

3. The impact of the project in providing the youth of Dade County the fullest opportunity to learn and develop their intellectual and mental capacities.

Upon completion of the analysis, Staff shall schedule the Application and all pertinent data thus far presented for review by the Authority. After deliberation, the Authority may, if it decides that the project is sound, financially feasible and meets the goals of the Authority, adopt a resolution specifying the terms under which the Authority will issue its Bonds.

C. Authority Agenda Scheduling.

The Authority will take action only at regularly scheduled Authority meetings or, in cases deemed exceptional by the Authority, at specially scheduled Authority meetings for which seven (7) days prior notice must be published. All documentation requiring Authority official action must be received for review by Staff, Bond Counsel and the Financial Advisor, if applicable, at least fourteen (14) working days in advance of the meeting in which Authority action is to be taken. Notification by Staff as to conformance with the Authority's established guidelines, procedures and policies must be received by the Authority at least three working days prior to the meeting.

D. Preparation of Bond Documents.

It is the applicant's responsibility to initiate contact with Staff.

E. Sale of Bonds.

Actions of the Authority should not be construed as indicating the marketability of the Bonds, but rather, that the Authority will issue its Bonds only if a willing and suitable purchaser can be found agreeable to all parties thereto.

F. Trustee.

The Authority shall have the power of final approval of the trustee for each financing.

G. Bond Closing.

The bond closing may be scheduled anytime after authorization of sale by the Authority and upon concurrence of Bond Counsel.

Whenever possible, execution by the Authority of bond documents shall be scheduled to occur immediately following the Authority meeting at which final approval is granted. All signature pages should be clearly indicated or marked. Such closing may take place at any location acceptable to the Authority. Payment of outstanding bond issuance expenses should occur at the closing. Usually a pre-closing session and a closing session are scheduled for consecutive days. The pre-closing is designed to allow the parties to review all documentation and ensure that all is in order for the bond closing. The transfer of funds and the execution of final documents occur at closing.

H. Disposition of Proceeds of Bond Sale.

Following the sale of the Bonds, the proceeds will be deposited with a trustee or in a Trust Account for the bondholders to be disbursed for the acquisition and/or construction of the project and other related costs. The Trustee will provide reports as necessary.

I. Waivers of Guidelines and Procedures.

The Authority reserves the right to waive any of the aforesaid guidelines and procedures upon good cause shown by Staff or by the applicant, except those provisions required by law.

EXHIBIT A

DADE COUNTY (FLORIDA) EDUCATIONAL FACILITIES AUTHORITY  
APPLICATION FOR BOND FINANCING

Completed applications must be submitted to the Dade County (Florida) Educational Facilities Authority, c/o Office of Finance Director, Metropolitan Dade County, Metro-Dade Center, Suite 2550, 111 N. W. First Street, Miami, FL 33128, along with the application fee in the form of a cashier's check two (2) weeks prior to the Authority meeting at which the applicant wishes to be considered for tax-exempt financing.

1. APPLICANT'S NAME: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_  
(Street/P.O. Box)

\_\_\_\_\_ City State Zip Code

APPLICANT'S REPRESENTATIVE: \_\_\_\_\_

\_\_\_\_\_ (Telephone Number)

APPLICANT'S LEGAL COUNSEL: \_\_\_\_\_

\_\_\_\_\_ (Telephone Number)

2. A statement describing the Applicant, its history and operations (see item #3 on page 4)
3. Describe in general terms the proposed project.
4. Provide a breakdown of the project costs, including construction, soft costs, acquisition costs and any others.
5. Provide a pro forma Income Statement which details the projected income and expenses for the first three (3) years of the project for the revenue source to be pledged to secure the bonds.
6. A statement indicating the need for the proposed project.



7. A timetable which indicates all phases of project development, including financing phase, construction phase, and rent up and occupancy if applicable.
8. Provide a project site plan.
9. Amount requested to be raised by the issuance of the Bonds:  
\$ \_\_\_\_\_
10. If federal or state subsidy is to be provided, include the form of subsidy and evidence of the award of the subsidy for the development and confirmation thereof.

Form of  
subsidy: \_\_\_\_\_

11. State method of sale of the bonds: (Check Guidelines for requirements)  
\_\_\_\_\_ Publicly sold  
\_\_\_\_\_ Private placement transaction

12. Attach audited financial statements for the applicant(s) for the preceding five (5) years.

Date \_\_\_\_\_

\_\_\_\_\_  
(Name of Applicant)

By \_\_\_\_\_  
(Signer)

[Form of Investment Letter]

[Name and Address of Issuer]

[Name and Address of Bond Counsel]

Ladies and Gentlemen:

The undersigned, as purchaser of the \$ \_\_\_\_\_ [insert name of Bonds] Revenue Bond, Series \_\_\_\_\_ [Name of Project], dated \_\_\_\_\_, 19\_\_ (the "Bonds"), hereby certifies that we have been provided a copy of: (a) the Resolutions adopted on \_\_\_\_\_ and \_\_\_\_\_, by the [Name of Issuer] (the "Authority"), authorizing the issuance of the above-described Bonds; (b) the Trust Indenture dated as of \_\_\_\_\_, 19\_\_, between the Authority and \_\_\_\_\_ (the "Trustee"); (c) the Loan Agreement from \_\_\_\_\_ to \_\_\_\_\_, as Trustee, dated as of \_\_\_\_\_, 19\_\_; and (d) such financial, corporate and general information respecting the Participating Institution and such material respecting the Authority and the Bonds described above as we deem necessary to enable us to make an informed investment judgement with respect to the purchase of said Bonds and no inference should be drawn that we are relying on the Issuer or Bond Counsel as to any such matters other than the legal opinion rendered by Bond Counsel, \_\_\_\_\_.

We are purchasing the Bonds for the purpose of investment and not for resale at a profit and we have no present intention of reselling or otherwise redistributing the Bonds at a profit.

[Name of Purchaser]

By: \_\_\_\_\_  
As its:

EXPENSE AND INDEMNITY AGREEMENT

Dade County (Florida) Educational  
Facilities Authority  
c/o Office of the Finance Director  
Metropolitan Dade County, Florida  
Metro-Dade Center, Suite 2550  
111 N. W. First Street  
Miami, FL 33128

Ladies and Gentlemen:

The undersigned (the "Applicant") has requested the Dade County (Florida) Educational Facilities Authority to consider its application for the issuance of the Bonds referred to below (the "Bonds") for the benefit of the Applicant and, as an inducement to such consideration, hereby agrees with the Authority as follows:

Section 1. Payment of Expenses. Whether or not the Bonds are offered, sold or issued, the Applicant agrees to pay and be liable for, and to hold you harmless against the payment of, any and all expenses relating to the Bond issue, including expenses, recording charges, expenses of printing the Bonds and advertising the sale thereof and expenses of registering the Bonds with the securities commission of any state. The fees of your bond counsel, your financial advisor, if applicable, your administrative Staff and your legal advisor shall be payable only if the Bonds are issued and delivered, but the Applicant shall in all events be liable for the payment of the disbursements and out-of pocket expenses of such personnel.

Section 2. Indemnity. Whether or not the Bonds are offered, sold or issued, the Applicant agrees to indemnify you, and each of your members, officers, agents, attorneys and employees against any and all claims and liability of whatsoever nature arising out of the Bond issue, including, without limitation, claims based upon actual or alleged misrepresentation, fraud or other tortious conduct or breach of contractual relationships, whether predicated upon federal or state statutes, common law, principles of equity or otherwise, excepting only claims based upon willful misfeasance or non-feasance. In furtherance of the foregoing, the Applicant agrees to pay any and all attorneys' fees and court costs incurred in the defense of any of the claims hereinabove enumerated upon your written demand thereof. It is further understood and agreed that you or any of the persons

hereinabove indemnified shall be entitled to retain counsel acceptable to you or them to defend any such claim, but that neither you nor any such person will enter into any settlement of the same without the prior written approval of the Applicant.

Section 3. Survival of Agreement. This Agreement shall survive the closing of the Bond issue and shall not merge into or be superceded by any other agreement other than by a written amendment hereto specifically denominated as such and executed by you and the Applicant.

DATED: \_\_\_\_\_

NAME OF APPLICANT: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_ Title

DESCRIPTION OF BONDS:

\_\_\_\_\_  
\_\_\_\_\_

Accepted and agreed to as of the date above written.

DADE COUNTY (FLORIDA) EDUCATIONAL  
FACILITIES AUTHORITY

By: \_\_\_\_\_

Chairman