

RESOLUTION NO. 2022-35

A RESOLUTION OF THE CITY OF LAKE WALES, FLORIDA, SUPPLEMENTING RESOLUTION NO. 2021-24; AUTHORIZING THE ISSUANCE BY THE LAKE WALES COMMUNITY REDEVELOPMENT AGENCY OF ITS NOT TO EXCEED \$18,500,000 REDEVELOPMENT REVENUE BONDS, SERIES 2023, PURSUANT TO A DELEGATED NEGOTIATED SALE TO RAYMOND JAMES & ASSOCIATES, INC. AS UNDERWRITER TO FINANCE THE COST OF REDEVELOPMENT PROJECTS WITHIN THE COMMUNITY REDEVELOPMENT AREA OF THE LAKE WALES COMMUNITY REDEVELOPMENT AGENCY; PROVIDING FOR THE BONDS TO BE SECURED BY A LIEN ON TAX INCREMENT REVENUES AND NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED THEREFOR FOR THE PAYMENT OF THE BONDS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, that:

SECTION 1: Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 166, Part II, Florida Statutes, Chapter 163, Part III, Florida Statutes, and other applicable provisions of law (collectively, the "Act") and Resolution No. 2021-24 of the City ("Resolution 2021-24"). Any capitalized undefined terms used herein shall have the meaning given them in the Act or Resolution 2021-24.

SECTION 2: Sale of Bonds. The Lake Wales Community Redevelopment Agency (the "Agency") has entered into a bond purchase agreement (the "Purchase Agreement") with Raymond James & Associates, Inc. (the "Underwriter") providing for the delegated negotiated sale of the Agency's not to exceed \$18,500,000 Redevelopment Revenue Bonds, Series 2023 (the "Bonds") to the Underwriter. In accordance with Section 163.385(3), Florida Statutes, the City Commission hereby ratifies and confirms the authorization set forth in Resolution 2021-24 for (i) the Agency to issue the Bonds in conformance with the interest rate, payment requirements and other requirements contained therein and in the Purchase Agreement, and (ii) the pledge of and lien upon the Tax Increment Revenues and Non-Ad Valorem Revenues provided by the City pursuant to Resolution 2021-24.

SECTION 3: Secondary Market Disclosure. Subject to the satisfaction in all respects with the conditions set forth in Section 2 hereof, the City of Lake Wales, Florida (the "City") hereby covenants and agrees that, in order to provide for compliance by the Issuer with the secondary market disclosure requirements of Rule 15c2-12 of the Security and Exchange Commission (the "Rule"), the City will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed by the City and dated the date

of delivery of the Bonds, as it may be amended from time to time in accordance with the terms thereof. The Disclosure Certificate shall be substantially in the form attached hereto as Exhibit A with such changes, amendments, modifications, omissions and additions as shall be approved by an Authorized Officer of the City who are each hereby authorized to execute such Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with such Disclosure Certificate shall not be considered an Event of Default hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section 3 and the Disclosure Certificate. For purposes of this Section 3, "Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Bonds for federal income tax purposes.

SECTION 4: Anti-Dilution Test. At any time that the Bonds are outstanding, as a condition precedent to the issuance of any debt or the incurrence of any other obligations which are secured by and/or payable from Non-Ad Valorem Revenues, the City agrees to certify that it is in compliance with the following: The annual Non-Ad Valorem Revenues received by the City less essential government expenditures for the prior audited fiscal year for which audited financial statements are available equals at least 1.25 times the existing and projected maximum annual debt service on existing obligations and the proposed obligations payable from or secured by Non-Ad Valorem Revenues calculated as provided in Exhibit B attached hereto. Debt service on an obligation, the secondary source of payment for which is a covenant to budget and appropriate from Non-Ad Valorem Revenues need only be included in the calculation if the City has used or reasonably expects to apply Non-Ad Valorem Revenues to the payment of debt service, directly or indirectly, on such obligations and only to the extent that amounts other than Non-Ad Valorem Revenues available and pledged to pay such obligations during the prior fiscal year for which audited financial statements are available were less than the maximum annual debt service for such obligations for the then current or any subsequent fiscal year. There is no annual requirement that any coverage ratio be maintained.

For the purposes of these covenants, "maximum annual debt service" means the lesser of the actual maximum annual debt service on all such debt and other obligations, or 15% of the original par amount of such debt and other obligations, in each case, secured by and/or payable solely from the City's Non-Ad Valorem Revenues. As used above, the term "maximum annual debt service" shall only include debt service that the City reasonably expects to apply Non-Ad Valorem Revenues to actually pay; provided however, notwithstanding the foregoing, maximum annual debt service shall include the debt service on any debt which has pledged any of the City's Non-Ad Valorem Revenues or is secured solely by a covenant to budget and appropriate Non-Ad Valorem Revenues. For the purpose of calculating maximum annual debt service on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 7% per annum or (ii) the actual interest rate borne by the variable rate debt for the month immediately preceding such calculation.

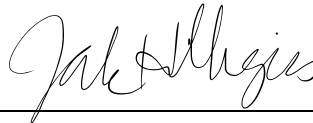
SECTION 5: Books and Accounts; Audit. The City shall keep proper books, records and accounts, separate and apart from all other records and accounts, and shall, within two hundred ten (210) days following the close of each Fiscal Year of the City, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants and, should the Agency not otherwise provide its own audited financial statements, such audit shall also include an audit of the Agency's books, records and accounts.

SECTION 6: Authorizations. The Chair and any member of the Agency, the Mayor, the Clerk, the City Attorney and such other officials and employees of the Agency and the City as may be designated by the Agency are each designated as agents of the Agency in connection with the issuance and delivery of the Bonds and are authorized and empowered, collectively or individually, to take all action and steps, to make such representations and certificates, and to execute all instruments, documents, and contracts on behalf of the Agency that are necessary or desirable in connection with the execution and delivery of the Bonds, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

SECTION 7: Effective Date. This Resolution shall take effect immediately upon its adoption by the City.

DULY RESOLVED by the City Commission of the City of Lake Wales, Florida, this 20th day of December, 2022.

CITY COMMISSION OF THE CITY OF
LAKE WALES, FLORIDA



Mayor

(SEAL)

ATTEST:

City Clerk

Exhibit A

Form of Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") dated _____, 2023 is executed and delivered by the City of Lake Wales, Florida (the "City") in connection with the issuance by the Lake Wales Community Redevelopment Agency (the "Agency") of its \$_____ Redevelopment Revenue Bonds, Series 2023 (the "Bonds"). The Bonds are being issued pursuant to Resolution 2021-24 adopted by the City on October 19, 2021, as amended and supplemented, as particularly supplemented by Resolution 2022-____ adopted by the City on _____, 2022, Resolution 2021-03 adopted by the Agency on October 12, 2021, as amended and supplemented, as particularly supplemented by Resolution 2022-____ adopted by the Agency on December 20, 2022 (collectively, the "Resolution").

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to

which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the City, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The City shall, or shall cause the Dissemination Agent to, not later than each April 30th commencing April 30, 2023 with respect to the report for the 2022 fiscal year, provide to any Repository in electronic format as prescribed by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City by telephone and in writing (which may be by e-mail) to remind the City of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the City shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the City will not be able to file the Annual Report within the time required under this Disclosure Certificate, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of any Repository;

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing any Repository, to which it was provided; and

(iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the City irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report.

SECTION 4. CONTENT OF ANNUAL REPORTS. The City's Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated _____, 2023 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) updates of the financial and operating data set forth in the Official Statement, including the following tables entitled:

(i) City of Lake Wales, Florida Historical Non-Ad Valorem Revenues and Debt Service Payable from Non-Ad Valorem Revenues (Unaudited); and

(ii) Outstanding Debt Secured by Non-Ad Valorem Revenue Sources.

The information provided under Section 4(b) may be included by specific reference to documents, including official statements of debt issues of the City or related public entities, which are available to the public on the Repository's Internet website or filed with the Securities and Exchange Commission.

The City reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that the City agrees that any such modification will be done in a manner consistent with the Rule.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds. Such notice shall be given in a

timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 17 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the City or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City or Obligated Person, any of which affect security holders, if material;
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the City or Obligated Person, any of which reflect financial difficulties; and

17. notice of any failure on the part of the City to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository, and the Insurer.

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the City;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the City, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENT. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the City.

SECTION 9. AMENDMENT. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate provided that the following conditions are satisfied:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City, or the type of business conducted;

(b) The undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the holders, as determined either (i) by parties unaffiliated with the City (such as the trustee or bond counsel), or (ii) by approving vote of bondholders pursuant to the terms of the governing instrument at the time of the amendment.

In the event of any amendment of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the City set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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SECTION 13. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of _____, 2023

CITY OF LAKE WALES, FLORIDA

[SEAL]

By: _____
Mayor

ATTEST:

City Clerk

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: The City of Lake Wales, Florida

Name of Bond Issue: Redevelopment Revenue Bonds, Series 2023

Date of Issuance: _____, 2023

NOTICE IS HEREBY GIVEN that the City of Lake Wales, Florida (the "City") has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4(b) of the Continuing Disclosure Certificate dated as of _____, 2023. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF LAKE WALES, FLORIDA

By: _____

Name: _____

Title: _____

EXHIBIT B

Form of Coverage Certificate

| <u>Revenues</u> | <u>FY</u> |
|---|---------------|
| Total Governmental Fund Revenues | \$ |
| Less: Ad Valorem Revenues | |
| Less: Restricted Funds | |
| Total Net Non-Ad Valorem Revenue Available | \$ - |
| <u>Expenditures</u> | |
| Essential Expenditures | |
| General Government | |
| Public Safety | |
| Total Essential and Legally Mandated Expenditures | \$ - |
| Less: Essential expenditures paid from ad valorem revenues net of ad valorem debt service or otherwise designated | |
| Total Adjusted Expenditures | \$ - |
| Legally Available Non-Ad Valorem Revenues | \$ |
| Less: Essential Expenditures to be paid from Non-Ad Valorem | \$ |
| Net Legally Available Non-Ad Valorem Available for Debt Service | \$ |
| Existing and Projected Maximum Annual Debt Service | \$ |
| Coverage Ratio | |