

MIDDLE VILLAGE COMMUNITY DEVELOPMENT DISTRICT

(SPECIAL ASSESSMENT BONDS, SERIES 2007A/2008A – SERIES 2018 REFUNDING BONDS)

CLAY COUNTY, FLORIDA

REQUEST FOR NON-BANK QUALIFIED BANK TAX-EXEMPT FINANCING PROPOSALS

IN AN AMOUNT NOT TO EXCEED \$28,000,000



Issue Date: February 14, 2018

Response Date: January 3, 2018



REQUEST FOR PROPOSALS

The purpose of this Request for Proposals is to identify the institution that can provide Middle Village Community Development District (the "District" or "Issuer") with bank financing (the "Loan" or "Series 2018 Bonds") in an amount not exceeding \$28,000,000 at the lowest overall borrowing cost, pursuant to certain conditions. The Loan will be used to refund the District's Special Assessment Bonds, Series 2004A and 2008A (the "Series 2004A/8A Bonds") currently outstanding in the amount of \$27,440,000, following the 5/1/2017 scheduled amortization payment (the "Refunded Bonds").

The District will accept and review proposals from qualified financing institutions based upon the proposed financing structure below. The District will select the proposal that provides a combination of the lowest overall borrowing cost and longest fixed rate period to the District and meets the financing requirements of the District. MBS Capital Markets, LLC, ("MBS") as the District's private placement agent, will assist with reviewing the terms of the proposed Loan with the selected financial institution.



STRUCTURE OF FINANCING

Amount: Not to Exceed: \$28,000,000

Settlement Date: Expected: February 14, 2018

Rate: Fixed Rate / Index (Non-Bank Qualified)

Term/Maturity: 18-Year Term (maturing 5/1/2035)
Principal Paid annually on 5/1

Prepayment: The District requests the ability to prepay the amount(s) drawn in whole or in part, at any time without penalty and must be able to prepay without penalty from amounts received as prepayment of non-ad valorem special assessments relating to the proposed Series 2018 Bonds.

Interest Payments: Semi-annually on 5/1 and 11/1

Reserve Fund Requirement: _____
(to be provided by respondent)

Day Count Method: ___ 30/360
___ Actual/360
(respondent to select one)

Bank Fee: Please specify, if any

Bank's Counsel Fees: Please specify, if any



SECURITY OF THE LOAN

The payment of the principal of and interest on the Series 2018 Bonds shall be secured by the Series 2018 Non-Ad Valorem Special Assessments that originally secured the Series 2004A/8A Bonds (refer to credit report).

The Series 2004A/8A Bonds are currently secured by the Pledged Revenues which primarily consist of the Assessments levied and collected by or on behalf of the District pursuant to the Assessment Proceedings and Chapter 190, F.S. establishing the District, against lands located within the District referred to as the Series 2004A/8A Assessment Area that are subject to assessment as a result of the improvements (the "Series 2004A/8A Project") financed by the Series 2004A/8A Bonds.

The Series 2018 Bonds are being issued for the principal purpose of refunding the Refunded Bonds. Proceeds of the Series 2018 Bonds will also be used to (a) make a deposit to the Series 2018 Reserve Account to be established for the Series 2018 Bonds in an amount equal to the Series 2018 Reserve Requirement, and (b) pay costs of issuance of the Series 2018 Bonds.

The Series 2018 Bonds will be secured by a lien on and pledge of the Series 2018 Trust Estate. The Series 2018 Trust Estate consists primarily of the revenues derived by the Issuer from the collection of the Series 2018 Special Assessments, which are the non-ad valorem special assessments levied on certain lands in the Series 2004A/8A Assessment Area subject to assessment as a result of the Series 2004A/8A Project or any portion thereof.

NEITHER THE SERIES 2018 BONDS OR THE INTEREST PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE OF FLORIDA. THE SERIES 2018 BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER OR A LIEN UPON ANY PROPERTY OF THE ISSUER OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE ISSUER OR OF ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY, INCLUDING, WITHOUT LIMITATION, CLAY COUNTY, FLORIDA OR THE CITY OF JACKSONVILLE, FLORIDA TO PAY DEBT SERVICE OR ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE ON THE SERIES 2018 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE ON THE SERIES 2018 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE PLEDGED REVENUES AND FUNDS AND ACCOUNTS PLEDGED TO THE SERIES 2018 BONDS, ALL AS PROVIDED IN THE INDENTURE AND THE SERIES 2018 BONDS.



TAX-EXEMPT OBLIGATIONS

The District will agree to take such actions as may be required by Treasury regulations in order to maintain the status of the Loan as a tax-exempt obligation. The bonds **will not** be designated “Bank Qualified”.

The customary approving bond counsel opinion will be provided by Bond Counsel to the District. In addition, all legal documentation and closing documents will be prepared by the District’s Bond Counsel.

PROVISIONS

The closing of the Loan will be on or around February 14, 2018. At the closing of the Loan, the financial institution will be required to make certain certifications, including, but not limited to, certifications to the effect that it:

- a. is making the Loan for its own account, does not currently intend to syndicate the Loan, will take no action to cause the Loan to be characterized as a security, and will not treat the Loan as a municipal security for purposes of the securities laws;
- b. it is not acting as a broker or other intermediary, and is funding the Loan from its own capital for its own account and not with a present view to a resale or other distribution to the public,
- c. it understands that the Loan is evidenced by a note (the "Note") and the Note is issued in a single denomination equal to the aggregate principal amount of the Loan and may not be transferred except in whole and will not be transferred to any kind of trust under any circumstances;
- e. the Lender is a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), *Florida Statutes*;
- f. it is not funding the Loan for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, *Florida Statutes*;
- g. it understands that a filing will be made with respect to the Loan or the Note with EMMA, the Municipal Securities Rulemaking Boards continuing disclosure site;
- h. CUSIPs will be obtained on the Loan or the Note; and
- i. there will be no credit rating obtained on the Note.

RFP FORMAT – SELECTION CRITERIA

Proposals will be evaluated by the District and MBS and on the basis of cost and the ability to comply with the proposed structure and terms as outlined in the RFP. In order to assist the District and MBS in reviewing the responses, each proposal should include the following information:

- (1) The legal name of the bank and the primary bank contact person(s) (include address, telephone number, facsimile number, and e-mail address).
- (2) Fixed rate / index for the full amount of the Loan outlined in the STRUCTURE OF FINANCING section and fixed table rate in the event interest on the Loan is no longer excluded from federal income tax.
- (3) Describe in detail of **all fees and expenses**, which the District will be responsible to pay to the bank. The District will retain bond counsel to prepare the tax opinion, bond resolution and loan documents. The amounts stated in the proposal shall represent the **maximum** amounts payable to the bank by the District. All fees and expenses, with the exception of those of Bond Counsel and MBS, in excess of those stated in the proposal shall be the sole responsibility of the bank and will not be paid or reimbursed by the District.
- (4) Specify the law firm or firms that would act as Bank's Counsel, the name of the lead attorney and the fees the law firm would charge for the proposed financing.
- (5) All other terms relating to the repayment of the Loan, which are not specified in this Request for Proposal and are not inconsistent with its provisions, but are desired by the bank (e.g., "gross up" provisions, etc.), shall be clearly detailed in the proposal. Any other provisions not specifically set forth in the proposal will not be considered (for example, terms "to be negotiated" between the bank and the District, and provisions which are the "customary practice" of the bank.) This Request for Proposal and the written proposal of the successful bank, after acceptance by the District, will contain all the terms with respect to the Loan. The District will not accept any proposal that require interest rate adjustments based on changes in law, rule or regulation or change in market conditions. Additionally, the Default Rate cannot exceed 6.0%, the current average interest rate on the Series 2004A/8A Bonds.

MISCELLANEOUS

- (1) The District reserves the right, in its sole discretion, to accept or reject any and all proposals, to waive any irregularities or informalities in any proposal or in the proposal, and to accept or reject any items or combination of items. The award will be to the financial institution whose response best complies with the requirements set forth in this Request for Proposal and whose proposal, in the opinion of the District and the Private Placement Agent is best, taking into consideration all aspects of the offeror's response and the needs of the District.
- (2) Changes to this Request for Proposals may be made by and at the sole discretion of the District.
- (3) The District will not be liable for any expenses incurred in connection with the preparation of a response to this Request for Proposal.
- (4) Federal, State, and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the bank will in no way be a cause for relief from responsibility.
- (5) No successful proposer may assign any portion of the contractual agreement between the parties without prior written authorization by the District.
- (6) Warranties – The proposer, in submission of its proposal, warrants to the District that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.
- (7) All proposals shall include the interest rate or rates, determination of taxability provisions, fees (including bank counsel, if any), financial reporting requirements, default rate, and other terms/conditions.
- (8) All interest rate adjustment provisions, if any, must be specifically outlined in the proposal if required by the proposer.

QUESTIONS, ADDITIONAL INFORMATION

Contact with District personnel or consultants other than the District Manager's Office, specifically Governmental Management Services, LLC, or the District's Private Placement Agent, regarding this Request for Proposals may be grounds for elimination from the selection process.

The Proposer shall examine all proposal documents and shall judge all matters relating to the adequacy of such documents. Any inquiries, suggestions or requests concerning clarification or solicitation for additional information shall be submitted in writing to the District's Private Placement Agent, Rhonda Mossing, MBS Capital Markets, LLC, 1005 Bradford Way, Kingston, TN 37763 or via email at rhonda.mossing@mbscapitalmarkets.com.

The District's Bond Counsel will prepare all financing documents and render their approving opinion with respect to the Series 2018 Bonds and bank counsel's role will be review only. MBS Capital Markets, LLC will serve as placement agent for the District for the Series 2018 Bonds.

The successful proposer will be required to deliver certain certificates at closing including to the effect that they are a sophisticated investor having knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of lending funds to the District, that they have had access to and have reviewed such information concerning the District as they have deemed necessary, that they are not relying on disclosures from the District and that they are buying the Series 2018 Bonds for their own accounts and not with a present view for resale or redistribution. The Series 2018 Bonds may be assigned in whole but not in part and only to qualified institutional buyers.

Disqualification: More than one proposal from an individual, firm, partnership, corporation, or association under the same or different names will not be considered. If the District believes that collusion exists among proposers, all proposals will be rejected.

Reservation of Rights: The District, with input from its Private Placement Agent, shall be the sole judge of all proposals. The District reserves the right to accept or reject any or all proposals, to waive irregularities and technicalities, and to request resubmission for all or any part of this request for proposals. The District also reserves the unilateral right to negotiate with proposers in the event of, but not limited to, the following situations: no proposals received; less than three (3) proposals received; or proposals received deemed unreasonable. The proposer does not have the right to unilaterally change its proposal.

THE DISTRICT RESERVES THE RIGHT TO REJECT ANY OR ALL PROPOSALS AND RESERVES THE RIGHT TO WAIVE, IF PERMITTED BY LAW, ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL.

TENTATIVE SCHEDULE

The District will attempt to adhere to the following schedule*:

12/8/2017	Issue Request for Proposal (RFP)
1/3/2018	Bank Proposals Due Prior to 2:00 P.M. Eastern Time
1/8/2018	Board approval of Resolution authorizing execution of loan documents Board approves Preliminary Supplemental Assessment Methodology Report Board schedules public hearing on Assessments
2/12/2018	Public Hearing on Assessments Board approves bond resolution and pre-closing on the Loan
2/14/2018	Closing of the Loan

* Preliminary; subject to change