

**CITY OF VENICE, FLORIDA**

**Application of Conduit Financing**

(Submit three original fully executed application forms with all required attachments and five copies of the form with attachments and the application fee to the City Finance Director, 401 W. Venice Avenue, Venice, Florida 34285)

**I APPLICANT**

- A. Corporate Name: Island Village Montessori Charter School, Inc.  
State of Incorporation: Florida  
Business Address: 2001 Pinebrook Road  
Venice, Florida 34292  
Telephone: 941-484-4999
- B. Applicant's Agency (if any) N/A
- C. Applicant's Legal Counsel: Williams Parker  
200 South Orange Avenue  
Sarasota, Florida 34236  
Telephone: 941-366-4800  
Contact Person: Peter Currin, Esq.  
[pcurrin@williamsparker.com](mailto:pcurrin@williamsparker.com)
- D. Management of Projects ( if other than Applicant): N/A
- E. Applicant shall attach copies of items 1 – 6 below:
1. Names and business addresses of officers and directors
  2. Articles of Incorporation
  3. By-Laws
  4. If applicant is a non-profit corporation, evidence that applicant is an organization covered under Section 501 (c) (3) of the Internal Revenue Code.
  5. Audited financial statements of the applicant for the preceding three (3) years.
  6. If applicant is a public company under the Securities and Exchange Act of 1934, a copy of Form 10-K for the last three (3) years.

## II. PROJECT

### A. Brief description:

Refinance a tax-exempt bond held by Bank of America, issued through the City of Venice, and refinance two conventional mortgage loans from BB&T.

### B. Address community needs and benefits:

The school is a tuition-free, public charter school for students in grades K-12, and is located on two campuses with its main campus in the City of Venice. In addition, we have a private non-profit pre-school serving ages 3 to 5. The Venice campus opened in 2001 and the Sarasota campus was established in 2013. As an A-rated school, we have earned the status of "high-performing charter school" by the Florida Department of Education since the program's inception in 2011. In 2016-2017, over 750 students will attend the schools programs between the two campuses. The school is an asset to the City's community and has an important role in the education and well-being of the citizens in Venice.

In addition to its educational impact, the school has a local financial impact as well: employing 80 individuals at its Venice campus and 35 individuals at its Sarasota campus. The subject transaction will allow the school to save approximately \$100,000 per year in debt service payments which will be used to provide and preserve gainful employment and expand the overall mission of the school.

### C. Location:

2001 Pinebrook Road and 2341 Kilpatrick Road, Venice, Florida, 34292 and 11011 State Road 72, Sarasota, Florida 34241

### D. Real property to be acquired, if any (attach legal description, if available) : N/A

### E. Description of equipment or other personal property to be acquired (attach list, if appropriate): None

### F. If the project is a health care project for which a Certificate of Need is required, has Certificate of Need been obtained: N/A

G. Estimated total cost of project: \$ 3,773,000

Land Acquisition:

Design and construction:

Acquisition of existing structures:

Equipment purchase:

Other (pay off existing debt): \$ 3,773,000

H. Has any feasibility study been performed?

\_\_\_\_\_ Yes      X   No    (If yes, attach copy)

I. Timetable: Attach as detailed a timetable as is available for the project. The bond has been approved by Wells Fargo Bank, N.A. and all bank-required due diligence is complete. Therefore, it is in the best interest of the school to close the bond as soon as possible, while interest rates are low, and to begin realizing its positive financial impact to the school

### III FINANCING

Note: If this data has not yet been obtained by the applicant, leave this part blank, and the City's bond financing team will assist in structuring the transaction and selecting underwriters, feasibility consultants and other professionals.

A. Amount of Tax-Exempt Bond or Note Issued: \$3,850,000

Amount of Taxable Bond or Note Issued: \$ 0

Total Project Costs: \$ 3,773,000

Costs of Issuance: \$ 77,000

Monies available from other sources  
(attach explanation): N/A

B. Sources of debt service payments: Operations of Applicant

C. Additional security or guaranties: N/A - Mortgage on real estate only

D. Credit Enhancement (Letter of Credit, Bond Insurance, Surety bond, Guarantees, etc. Provider: N/A – Direct Bond to be purchased in its entirety by lender, Wells Fargo Bank N.A. As such, Wells Fargo is assuming all of the credit risk associated with the project. There will be no risk to the reputation or credit rating of the City of Venice as a result of this project.

- E. Final Maturity: 15 years
- F. Are the proposed bonds to be junior in status to any other obligations of Applicant?  
\_\_\_\_\_ Yes (explain)      X   No
- G. Purchaser of Bonds  
(Underwriter, Bank, etc.): Wells Fargo Bank, N.A.  
Business Address: 1819 Main Street, Suite 230  
Sarasota, FL 34243  
Telephone: 941-329-3205  
Contact Person: Shawn Byrd, VP  
[shawn.bvrd@wellsfargo.com](mailto:shawn.bvrd@wellsfargo.com)
- H. Purchaser's Counsel: Ballard Spahr, LLP  
Business Address: 999 Peachtree Street, Suite 1000  
Atlanta, GA 30309  
Telephone: 679-420-9308  
Contact Person: Han Choi  
[choih@ballardspahr.com](mailto:choih@ballardspahr.com)
- I. Feasibility Consultants: N/A  
Business Address:  
Attach any feasibility studies available
- J. Other consultants, contractors or agents, if any: N/A

**IV. REFUNDING ISSUES**

If the proposed bond issue is for purposes of refunding previous debt, attach an official statement for the refunded bonds and all other "refunding documents", and a summary of the debt to be refunded.

As the City is aware, the school has a Bond issue outstanding which the City issued on its behalf on November 28, 2007. The documents for that bond issue are on file with the City. No official statement was prepared in conjunction with the Series 2007 transaction as the debt was privately placed. In addition to refunding the Series 2007 Bond issue the School is also requesting proceeds from this financing be used to refinance two existing conventional loans. If the City would like to have copies of those underlying loan documents the School would be happy to make them available. A summary of the current debt outstanding to be refinanced is as follows:

<b>Lender</b>	<b>Outstanding</b>
Bank of America	\$2,258,000
BB&T	\$1,297,000
BB&T	\$ 218,000
<b>Total</b>	<b>\$3,773,000</b>

**V. DATE OF APPLICATION    May, 9, 2016**

Applicant acknowledges receipt of a copy of the "Financing Guidelines for Conduit Bonds Issued by the City of Venice, which is incorporated in this application by reference and understands that this application will be processed according to its provisions. Applicant also submits herewith an executed "Expenses and Indemnity Agreement" as required by the Guidelines.

For the Applicant:

Kimberly P. Elder  
Kimberly P. Elder  
(Printed)

Its: Suzanne Swedon

Attest:

Michelle D. Smith

Its: Comptroller

## EXPENSES AND INDEMNITY AGREEMENT

City of Venice  
Mayor John Holic  
401 W. Venice Avenue  
Venice, FL 34285

Re: Proposed Bond Issue for Island Village Montessori Charter School, Inc.

Ladies and Gentlemen:

The undersigned parties, jointly and severally (the "Corporation") has requested you to consider its application to have you issue the bonds referred to above (the "Bonds") for the benefits of the Corporation and, as inducements to such consideration, hereby agrees with you as follows:

Section 1. Payment of Expenses. Whether or not the Bonds are offered, sold or issued, the corporation 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 without limitation the fees and disbursements of your financial advisor, city attorney, special counsel and bond counsel, your administrative charges and out-of-pocket expenses, recording charges, expenses of printing offering circulars, official statements, and the Bonds, legal advertising and the expenses of registering the Bonds with the securities commission of any state.

Section 2. Indemnity. Whether or not the Bonds are offered, sold or issued, the Corporation agrees to indemnify you, and each of your councilmembers, officers, agents, attorneys, advisors, and employees against any and all claims and liability of whatsoever nature arising out of or relating directly or indirectly to the Bond issue, whether caused by you or the Corporation or otherwise, misrepresentation, fraud or other tortious conduct, breach of contractual relationships, or violation of law or administrative rule, whether predicted upon federal or state statutes, common law, principles or equity of otherwise, excepting only claims based upon willful misfeasance or nonfeasance. In furtherance of the foregoing, the Corporation agrees to pay any and all attorneys' fees and court costs incurred in the defense of any such claims upon your written demand therefore. 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 Corporation; provided that no such approval shall be required in the event the Corporation shall fail to promptly provide an indemnity or surety bond satisfactory to you and such other persons upon request to the Corporation therefore.

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

If the foregoing is acceptable to you, please indicate your acceptance in the space provided below, whereupon this Agreement shall become a binding contract between us.

Dated: 5/9/2016

NAME OF CORPORATION: Island Village Montessori Charter School, Inc.

By: Humboldt O. Sloss

Its: Executive Director

Accepted and Agreed to as of the date above written:

City of Venice

\_\_\_\_\_  
By: Mayor John Holic

Attest:

\_\_\_\_\_  
By: City Clerk

Approved as to form and correctness:

\_\_\_\_\_  
By: City Attorney