

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Minutes of Regular Meeting Held on June 19, 2018

A Regular Meeting of the Orange County Industrial Development Authority (the "Authority") was held in the OMB Conference Room, 3rd floor, at the Orange County Administration Center, 201 S. Rosalind Avenue, Orlando, Florida 32801 at 2:00 p.m. on June 19, 2018. Present throughout the meeting were Chairman Justin Vermuth, Authority members Paul Michelotti and Joel A. Knopp and Authority Secretary Casey Barnes. Authority members Sylvia Dunlap and Wade C. Vose and Assistant Secretary Irma Stenman were absent. The Authority members present constituted a quorum of the members of the Authority. Also in attendance were Glenn A. Adams, Michael Wiener, Brian Hanafin, and paralegal Suzanne McCormack of Holland & Knight LLP, general counsel to the Authority. Also present throughout the meeting were Danielle Philippe of the Financial & Business Services Division of Orange County, Holland & Knight summer associate Kai Murphy and visiting Scottish legal student Nicole Gray.

Chairman Vermuth presided at the meeting. He called the meeting to order at 2:00 p.m. All parties in attendance introduced themselves to the group.

The first order of business to come before the meeting was to call for public comment; there being none, the Chairman moved on to the next matter of business.

The next item on the agenda was the approval of the minutes of a regular meeting of the Authority held on April 17, 2018, the most recent previous meeting of the Authority. A draft of the proposed minutes previously had been delivered to each of the members of the Authority.

A motion to approve the minutes as distributed was made by Mr. Knopp, seconded by Mr. Michelotti, and unanimously adopted.

The next item on the agenda was a presentation by Anuvia Florida LLC (as successor to VitAG Florida LLC) ("Anuvia"). Present on behalf of Anuvia were Ed Zughaft, Senior Vice President of Finance, Mary Richardson, General Counsel and Gary Dahms, Executive Vice President of Engineering. Also present were Grace Dunlap of Bryant Miller Olive, bond counsel for Anuvia, and Financial Advisors Rick Frimmer of EisnerAmper and Elizabeth Hill of Bright Bay Advisors. Mr. Zughaft handed out materials and gave an in depth presentation addressing an overview of Anuvia, its products, the history of the facility's operations including its permitting issues, capital infusions by Anuvia's parent company, discussions with bondholders leading to this proposed restructuring, the objectives of the restructuring including a reduced principal amount, reduced interest rate and longer payment period, and projections for the future sales and earnings. Mr. Dahms discussed the operations of the facility. Questions by Authority members and counsel were asked and answered surrounding the business operations and the proposed restructuring including a summary of the financial terms of the restructuring projected debt service coverage and projected EBITDA of Anuvia by Mr. Frimmer. Mr. Frimmer did note that these were all projections and subject to change.

Following the presentation, Chairman Vermuth conducted a TEFRA Public Hearing on behalf of the Authority. The Chairman stated the following:

“This public hearing is being conducted pursuant to the requirements of the federal Tax Equity and Fiscal Responsibility Act of 1982, as amended by the Tax Reform Act of 1986, collectively referred to for purposes of this hearing as “TEFRA” and embodied in Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”). TEFRA requires that in order for the interest on private activity bonds, to be exempt from federal income tax, such bonds and the projects which they will finance must be approved by either a voter referendum or by an applicable elected representative after a public hearing following reasonable public notice. Anuvia Florida LLC, referred to herein as the “borrower” has requested that the Orange County Industrial Development Authority issue for its benefit the Authority’s Industrial Development Revenue Refunding Bonds (Anuvia Florida LLC Project) in one or more series in an aggregate principal amount not to exceed \$51,000,000, and referenced herein as the “Bonds.” The Borrower is solely obligated to repay the Bonds from its revenues and other security pledged to the repayment of the Bonds. The Authority has no financial obligation for repayment of the Bonds.

Upon conclusion of any testimony given at this hearing, the Authority will be asked to adopt a resolution, requesting the Board of County Commissioners of Orange County, Florida to approve the bonds, to the extent required under Section 147(f) of the Code, prior to the issuance thereof by the issuer.

The Notice of Public Hearing was published in The Orlando Sentinel, a newspaper of general circulation in Orange County, Florida, on June 2, 2018, advising that the issuer would hold a public hearing on June 19, 2018, at 2:00 p.m. or soon thereafter, at the Orange County Administration Building, 201 South Rosalind Avenue, 3rd Floor, Conference Room OMB, Orlando, Florida, on the proposed issuance of the Bonds.

We will now conduct the public hearing on the proposed issuance by the issuer of its plan of finance for the issuance of the Authority’s Industrial Development Revenue Refunding Bonds (Anuvia Florida LLC Project) in one or more series in an aggregate principal amount not to exceed \$51,000,000.

The Bonds will be issued in exchange for the Authority’s previously outstanding Industrial Development Revenue Bonds (VitAG Florida LLC Project), Series 2014. The Series 2014 Bonds were issued for the purpose of financing the acquisition, construction and equipping of solid waste disposal facilities, including an 11,000 square foot processing building, a 24,000 square foot warehouse, and related facilities (the “Project”) located at 6751 West Jones Avenue in Zellwood, Florida. The Project will continue to be owned and/or operated by the Borrower and related entities.

Testimony will now be heard by anyone desiring to speak on the proposed issuance of the Bonds.

Is there anyone who wishes to speak or file written testimony on this matter?

Let the record reflect that there are no members of the public in attendance and wishing to speak or file written testimony.

This concludes the public hearing scheduled for today.”

The next item of business on the agenda was the consideration of a bond resolution relating to the Authority’s proposed exchange and reissuance of its Industrial Development Refunding Revenue Bonds for the benefit of the Anuvia Florida LLC Project, in two or more series, in the principal amount not to exceed \$51,000,000.

Mr. Adams pointed out the accelerated timeline and the possibility that, if the proposed documents are revised in any material manner, they will be brought back before the Authority for approval at next month’s regularly scheduled meeting. He explained that under both state law and the Internal Revenue Code the bond resolution has to go to the Orange County Board of County Commissioners for approval; it is hoped that such approval can be obtained at the July 10, 2018 meeting of the Board of County Commissioners.

Mr. Zughaft inquired whether the Authority would consider reducing its fee since this is not a new issuance but a reissuance to restructure the existing debt. Mr. Barnes stated it will be taken under consideration.

Mr. Adams recommended that the Authority consider giving the Chairman and/or the Secretary the authority to discuss the possible reduction of the fee with Anuvia.

A motion was made to authorize the Chairman and/or the Secretary (i) to enter into further discussions with Anuvia to discuss the possible reduction of the Authority’s fee, and (ii) to make such a determination in their reasonable discretion. The motion was seconded and was adopted unanimously.

Mr. Adams explained that the Anuvia Bonds are proposed to be held in a book-entry system. The Authority guidelines provide that bonds issued by the Authority not meeting certain criteria described in the policy shall not be held in a book-entry system. Mr. Adams stated that the Series 2014 Bonds are currently held in a book-entry system and explained that Anuvia has requested a waiver of this policy.

A motion was made to waive the requirement that the Anuvia Bonds not be held in a book-entry system, the motion was seconded, and the Authority members voted unanimously to waive such requirement.

Chairman Vermuth then read the proposed resolution that previously had been circulated to the Authority members along with copies of an Amended and Restated Indenture of Trust, an Amended and Restated Loan Agreement, a Mutual Release Agreement, and a Memorandum of Agreement.

Based on the foregoing and after the discussion on the Anuvia Bonds, a motion was made by Mr. Knopp and seconded by Mr. Michelotti that the Authority approve the Resolution 2018-03 which is attached to these minutes as "Exhibit A" and captioned:

RESOLUTION NO. 2018-03

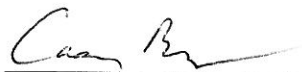
RESOLUTION OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY GRANTING APPROVAL TO THE EXCHANGE AND REISSUANCE OF ITS INDUSTRIAL DEVELOPMENT REFUNDING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$51,000,000 TO RESTRUCTURE PREVIOUSLY ISSUED BONDS OF THE AUTHORITY WHICH FINANCED SOLID WASTE DISPOSAL FACILITIES FOR ANUVIA FLORIDA LLC (AS SUCCESSOR TO VITAG FLORIDA LLC); SETTING FORTH THE TERMS AND CONDITIONS UNDER WHICH SUCH REVENUE BONDS WILL BE EXCHANGED; APPROVING THE FORMS OF EXCHANGE DOCUMENTS A MEMORANDUM OF AGREEMENT AND A RELEASE; AUTHORIZING THE EXECUTION THEREOF; PROVIDING AN EFFECTIVE DATE; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE EXCHANGE OF THE BONDS; AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO.

Chairman Vermuth asked if there were any further discussion on the motion. There being no further discussion, Chairman Vermuth called for a vote on the motion. Voting in favor were Mr. Michelotti, Mr. Knopp and Chairman Vermuth. There were no negative votes. Chairman Vermuth announced that the motion carried and that the Resolution 2018-03 was adopted.

Mr. Adams advised the Authority members that the Anuvia Bonds are to be reissued in minimum denominations of at least \$250,000. Mr. Adams also advised the Authority that the Authority's guidelines do not require that a subsequent transferee of bonds issued in increments of a minimum of \$250,000 execute an "investor's letter" known in the industry as a "traveling big-boy letter." In accordance with the Authority's policy's, such a letter was not required when the Series 2014 Bonds were issued. After discussion, the Authority members did not take any action to modify the guidelines for the Anuvia Bonds.

There being no further business, the Chairman adjourned the meeting at 3:10 p.m.

Respectfully submitted,



Casey Barnes, Secretary

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