

TD Bank, N.A. ("BANK")

**TERMS AND CONDITIONS OF CREDIT ACCOMMODATION Dated
02/06/2013 ("loan")**

THIS IS A STATEMENT OF TERMS AND CONDITIONS AND NOT A COMMITMENT TO LEND

1. **Proposed Bank Loans' Terms & Structure:**

<u>Borrower:</u>	City of Coral Gables, Florida
<u>Facility Amount:</u>	Up To \$4,700,000
<u>Facility Type:</u>	Taxable Bank Term Loan
<u>Purpose of Facility:</u>	The funds will be used to refinance the City's Taxable Revenue Bond Series 2004B
<u>Maturity Date:</u>	October 1 st , 2028.
<u>Interest Rate:</u>	Taxable Fixed Rate: 15-year term: 3.43% This rate will be held for the next 30 days until closing subject to the City executing the attached Rate Lock Agreement which waives any breakage fee shall the City Council not approve the transaction.
<u>Repayment Terms:</u>	Annual Principal payments commencing Oct 1 st , 2014. Interest shall be payable semi-annual commencing on April 1 st , 2013 over a 15-year amortization period using a 30/360-day count.
<u>Default Rate of Interest:</u>	The "default rate of interest" shall be four (4) percentage points in excess of the rate of interest charged prior to the occurrence of the event of default.
<u>Late Charges:</u>	If any payment due the Bank is more than fifteen (15) days overdue, a late charge of six percent (6%) of the overdue payment shall be assessed.
<u>Prepayment Premium:</u>	At the time of any full or partial prepayment, a fee equal to the 1.00% of the principal balance being prepaid shall apply.

2. **Fees and Expenses.**

No Bank Fee - **Waived.**

The Borrower is responsible for Bank Counsel Fees for the review of the loan documentation which will be prepared by the Borrower's Counsel. Bank Counsel Fees shall not to exceed \$4,000

3. **Security.**

Pursuant to the Loan Agreement for this facility, the City shall covenant and agree to budget and appropriate in its annual budget, by amendment, if required and to pay when due sufficient fund of Non Ad Valorem revenues of the City or other legally available funds to satisfy the Loan Payment as required under the Loan Agreement.

"Non Ad Valorem Revenues" shall be defined in the Loan Agreement to mean all legally available revenues and taxes of the City derived from any source whatsoever other than ad valorem taxation on real and personal property, which are legally available for Loan Payments.

4. **Legal Opinions.** Prior to closing, there shall be delivered to the Bank an opinion of Bond Counsel acceptable to the Bank covering matters customary for a transaction of this type and nature and which shall, without limitation, opine that: (1) the Borrower is duly formed; (2) all loan documents have been validly authorized and executed by and on behalf of the the Borrower, if any; (3) all loan documents are valid, binding, enforceable in accordance with their terms and do not violate any legal requirements, including without limitation, organizational documents, laws and material agreements.

5. **Financial Reporting.**

The Borrower shall furnish the following financial reports:

<u>Type of Reports</u>	<u>Frequency</u>	<u>Due Date</u>
Financial Statements – Audited	Annually	210 days after end of fiscal year.
Approved Budget	Annually	30 days after completion and approval

6. **Financial Covenants.**

Additional Bonds Test/ Anti Dilution Test:

Borrower may not incur additional debt secured by all or a portion of its Non Ad Valorem Revenues unless the total of Non Ad Valorem Revenues for the prior fiscal year were at least 2.00 times the annual maximum debt service of all debt (including all long term financial obligations appearing on the City's appearing on the City's most recent audited financial statements and the debt proposed to be incurred) to be paid from Non Ad valorem revenues ("Collectively Debt"), including any debt payable from one or several specific revenue sources.

7. **Other Conditions.**

- No adverse material change in the Borrower's financial condition prior to closing.
- The Facility shall be cross defaulted with all other existing Borrower debt that is backed by the Pledged Revenues (as applicable).
- Loan documents shall include provisions for gross up language and change in corporate tax rate.

With regards to the Capital Adequacy language, Bank's provisions will only be applicable during years 11 through 15 of the Loan Term. **During those 5 years, if Bank elects to pass a rate**

increase to Borrower at anytime during those 5 years due to Capital Adequacy requirements, Borrower shall have the option pay the rate increase or redeem the Loan at par.

- Periodic loan payments shall settled via auto debit.
- For the period of time which the Borrower maintains a Public Debt Rating, the Authority covenants to maintain a Public Debt Rating of A (S&P equivalent) or better.



February 8, 2013

RE: Interest Rate Lock Agreement

TD Bank, N.A. (the "Bank") is pleased to be working with the City of Coral Gables (the "Borrower") on the refunding of the City's Taxable Revenue Bond Series 2004 B (the "Loan") as described in the Bank's Term Sheet (the "Term Sheet"). The Borrower has the option of establishing the fixed rate of interest on the Loan prior to closing (the "Forward Rate") by executing this agreement with the Bank prior to closing (the "Rate Lock Agreement") and setting the Forward Rate on that date (or such other designated date as shall be mutually agreeable to Bank and Borrower). The Forward Rate shall be a fifteen (15) year fixed rate, to be set based on a repayment schedule of 15 years, semi annual interest and annual principal amortization schedule. **The amount of the loan shall be up to \$4,700,000.** This letter will serve as the Rate Lock Agreement. In the event the Borrower does not elect to execute the Rate Lock Agreement, the fixed rate of interest on the Loan shall be established at closing.

Break Funding Provision: The Forward Rate is subject to a "Break Funding Fee" as follows. The Break Funding Fee is due under any of the following circumstances (in each case, the "Breakage Date"): (1) the Borrower decides not to pay the Forward Rate on the Loan but instead elects either a fixed rate established at closing or a floating rate or (2) the Bank's Loan does not close on or before the date indicated in the Acknowledgement Letter as the "Forward Rate Expiration Date" **other than due** to a refusal of the Bank to close in a manner consistent with the term sheet **or the non approval by City Council of the transaction.**

Break Funding Fee: The **Break Funding Fee**, if payable, is computed as follows: The current cost of funds, specifically the 10 year Interest Rate Swap published on the Federal Reserve H15 Selected Interest Rates effective at 4:15pm two days prior to the Breakage Date, shall be subtracted from the 10 year Interest Rate Swap published on the Federal Reserve H15 Selected Interest Rates effective at 4:15pm on the day that the forward rate lock was fixed. If the result is zero or a negative number, there shall be no Break Funding Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the scheduled outstanding principal balance, as specified in the **Interest Rate Lock Agreement Schedule B**, for each remaining monthly period. Each resulting amount shall be divided by 360 and multiplied by the number of days in the monthly period. Said amounts shall be reduced to present values calculated by using the above reference current costs of funds divided by twelve (12). The resulting sum of present values shall be the Break Funding Fee due to the Bank on the Breakage Date.

"Breakage Date" as used herein shall mean the earlier of either the start of the first payment period in Schedule B or the date of written notice if provided to the Bank to terminate this Rate Lock Agreement. The Break Funding Fee shall be due and payable on the Breakage Date.

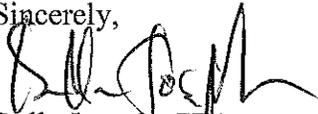
Adjustments to Interest Rate: Notwithstanding the foregoing, even if the Bank and the Borrower shall have agreed to a Forward Rate, the rate of interest on the Loan will be subject to change in accordance with items described in the Term Sheet, including, but not limited to the

declaration of a default, or other conditions as may be described in more detail in the loan documents.

Execution: In order to select the Forward Rate Option, the Borrower will execute this Rate Lock Agreement in the space provided below and in so doing will be bound by the provisions described in this Rate Lock Agreement. The Forward Rate and its effective date will be stated in a written acknowledgement from the Bank (the "Acknowledgement Letter"), the form of which is attached to this letter as **Appendix A**. The availability of the Forward Rate shall be null and void unless accepted by the Borrower and received by the Bank by 3:00 PM EST on the date of the Acknowledgement Letter. If timely accepted by the Borrower and received by the Bank, the Forward Rate shall expire on the Forward Rate Expiration Date set forth in the Acknowledgement Letter.

This Rate Lock Agreement does not supersede or in any way supplant any term sheet or commitment letter issued or to be issued by the Bank. This Rate Lock Agreement is intended only to establish the Forward Rate to be charged on the Loan provided the Bank's Loan is approved and closed on or before the Forward Rate Expiration Date and in accordance with terms and conditions acceptable to the Bank.

Sincerely,



Delle Joseph, CFA
South Florida Middle Market Manager
TD Bank, N.A.

Acknowledged and accepted this _____ day of _____, 2013.

City of Coral Gables, Inc.

By: _____

Title _____

**Appendix A
Form of Acknowledgement Letter**

February 8th, 2013

Mr. Delle Joseph, CPA
South Florida Middle Market Manager
TD Bank, N.A.
255 Alhambra Circle, Suite 200
Coral Gables, FL 33134

Re: Acknowledgement of Forward Rate

Dear Delle:

Provided TD Bank , N.A. (the "Bank") has received a fully executed original or faxed copy of this letter by 3:00 PM EST on the date of this letter (the "Effective Date") by an authorized officer of the Borrower, and subject to the terms of the Rate Lock Agreement dated February 9, 2013, and subject to the scheduled outstanding principal as specified in the Rate Lock Agreement, the Bank and the Borrower have agreed to establish a fixed tax exempt non bank qualified rate of interest of 3.43% percent per annum on an actual/360 basis with a closing date no later than March 9th, 2013 (the "Forward Rate Expiration Date"). This interest rate, and all other provisions of the Loan, are subject to the terms and provisions of all documents that govern this transaction.

**THIS ACKNOWLEDGEMENT LETTER SHALL BE NULL AND VOID IF NOT
ACCEPTED BY BORROWER AND RECEIVED BY BANK NO LATER THAN 3:00 PM
EST ON THE DATE SET FORTH ABOVE.**

Accepted by Borrower:

City of Coral Gables, Inc.

By: _____, 2013
Date

Title _____

Acknowledgement of Receipt:

TD Bank, N.A.

By: _____, 2013
Date

Title _____