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February 4, 2022

Ms. Diana Gomez
Finance Director
City of Coral Gables
405 Biltmore Way
Coral Gables, FL, 33134

Mr. Jay Glover
Managing Director
PFM Financial Advisors, LLC
300 South Orange Avenue, Suite 1170
Orlando, FL 32801

RE: Request for Proposals for refunding the City's Outstanding Capital Improvement Revenue Bonds, Series 2016A&B

Dear Ms. Gomez and Mr. Glover,

In response to the Request for Proposal for City of Coral Gables, Florida – Request for Proposal for the Refunding Capital Improvement Revenue Bonds, Series 2022, TD Bank, N.A. (the "Bank") is pleased to submit the following proposal to City of Coral Gables, Florida (the "City").

The structure of the proposed Credit Accommodation is outlined in the attached term sheet (Exhibit A) which provides a statement of suggested terms, but under no circumstance shall such statement be construed as a complete summarization of terms necessary for consummation of the proposed Credit Accommodation. PLEASE NOTE THIS PROPOSAL IS SUBJECT TO FORMAL CREDIT REVIEW AND UNDERWRITING IN ACCORDANCE WITH THE BANK'S INTERNAL POLICY AND NOTHING HEREIN SHALL CONSTITUTE A BINDING COMMITMENT TO LEND. Further, we expressly advise you that TD Bank, N.A. has not approved the Credit Accommodation. The Bank shall not be liable to the City or any other person for any losses, damages or consequential damages which may result from the City's reliance upon this proposal letter, the proposed Credit Accommodation, the proposed term sheet or any transaction contemplated hereby.


The Bank's Loan Proposal is subject to receipt by the City prior to 4:00 pm eastern standard time on February 18, 2022 and is contingent upon a Loan Closing with mutually acceptable documents between the County and Bank prior to 4:00 pm eastern standard time on March 18, 2022.

This letter, including the terms contained within the proposed Credit Accommodation, is delivered to you on the condition that its existence and its contents will not be disclosed without our prior written approval, except (i) as may be required to be disclosed in any legal proceeding or as may otherwise be required by law and on a confidential and "need to know" basis, to your directors, officers, employees, advisors and agents.

We appreciate this opportunity and are delighted to provide this Proposal. We look forward to working with you to successfully complete this transaction. My contact information is noted above.

Very truly yours,

TD BANK, N.A.

By: 
Robert W. Catoe
Vice President

TD Bank, N.A.

TERMS AND CONDITIONS OF CREDIT ACCOMMODATION DATED February 4, 2022 ("Loan")

THIS IS A STATEMENT OF TERMS AND CONDITIONS AND NOT A COMMITMENT TO LEND. ALL CREDIT ACCOMMODATIONS ARE SUBJECT TO FORMAL CREDIT UNDERWRITING AND APPROVAL.

1. Loan

- a) **Borrower:** City of Coral Gables (the "Borrower")
- b) **Facility:** Series 2022: Bank Loan (the "2022 Bond") issued as a Cinderella Bond, as described herein.
- c) **Purpose:** Proceeds will be issued to refund the City's outstanding 2016A and 2016B Bonds and paying costs of issuance.
- d) **Amount:** Not to exceed \$19,350,000.00 USD
- e) **Security:** The payment of the principal of and interest on the Bond shall be secured by a covenant to budget and appropriate from all non-ad valorem revenues of the City and which are lawfully available to be used to pay debt service on amounts due under the Bond.
- f) **Settlement Date:** On or before March 18, 2022
- g) **Maturity:** April 1, 2037
- (h) **Repayment Terms:** Interest on the 2022 Bond will be paid semi-annually (April 1 and October 1), commencing on October 1, 2022, based upon a 30/360 day basis.

Principal on the 2022 Bond will be paid annually (April 1), commencing on April 1, 2023, with final maturity of April 1, 2037 in accordance with the Amortization Schedule attached in Appendix A.
- i) **Interest Rate:** Taxable Fixed Rate: 2.50% until satisfaction of conditions to exchange the taxable bond and convert to the tax-exempt rate as described below.

Fixed rate of interest to be determined by adding 0.25% (25 basis points) to the prevailing ten (10) year Federal Home Loan Bank of Boston Amortizing Rate. The Interest Rate is provided in the website link below

<https://www.fhlbboston.com/fhlbank-boston/rates#/amortizing>

Bank will hold the interest rate for the Loan Facility for Borrower through the expected Closing Date of March 18, 2022, if Borrower confirms for the Bank, within two (2) business days of proposal submission date and the rate is still available, that the Bank will be recommended as the financial

provider for the requested facility along with prepayment option being selected.

The initial taxable rate may be converted to a tax-exempt rate of 2.04%, which based on current tax law we understand can be within 90 days prior to the first optional redemption date of the 2016A and 2016B Bond, provided that there shall be no default or event of default and there shall be delivered to the Bank an opinion of bond counsel that the interest on the replacement 2022 Bond is excludable from gross income of the owners thereof for Federal income tax purposes. Until the conditions precedent for the conversion to the tax-exempt rate shall be satisfied, the 2022A Bond shall continue to bear interest at the taxable rate.

Upon the conversion to the tax-exempt rate, accrued interest on the taxable Bond will be due and payable. Upon issuance of taxable Bond, all material documentation and forms of opinions to be agreed to and final forms set forth in a forward delivery and exchange agreement.

j) **Prepayment Provision:**

Option A: At the time of any full or partial prepayment, (i) A "Yield Maintenance Fee" in an amount computed as follows shall apply:

This Bond may be prepaid on any Business Day in whole or in part upon thirty (30) days prior written notice to the Bank. In the event of any prepayment of this Bond, whether by voluntary prepayment, acceleration or otherwise, the Borrower shall, at the option of the Bank, pay a "fixed rate prepayment charge" equal to the greater of (i) 1.00% of the principal balance being prepaid multiplied by the "Remaining Term," as hereinafter defined, in years or (ii) a "Yield Maintenance Fee" in an amount computed as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Stated Interest Rate". If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed prepayment charge" due to the Bank upon prepayment of the principal of this Loan plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

Yield Maintenance Fee = [Amount Being Prepaid x (Stated Interest Rate - Current Cost of Funds) x Days in the Remaining Term/360 days] + any accrued interest due "Remaining Term."

"Remaining Term" as used herein shall mean the remaining term of the 2022 Bond.

Option B: Borrower can elect to have a "No Prepayment" penalty associated with 2022 Bond by adding a premium of 12 basis points to the quoted proposed Loan Rate.

Partial prepayments shall be applied in inverse order of maturity, treating scheduled amortization installments as maturities.

k) **Default Rate of Interest:** The “default rate of interest” shall be six (6) percentage points in excess of the Prime Rate as quoted in the Wall Street Journal, with a Prime Floor of 3.00%.

Events of Default: Will include, but not be limited to:

- (1) Breach of representation or warranties.
- (2) Violation of covenants.
- (3) Bankruptcy or insolvency.
- (4) Payment default.
- (5) City's 2022 Bond shall be cross defaulted to all other City non-ad valorem debt secured by a CBA.

l) **Late Charges:** If any payment due to the Bank is more than fifteen (15) days overdue, a late charge of six percent (6%) of the overdue payment shall be assessed.

2. **Fees and Expenses:** The Borrower shall pay to the Bank on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Bank in connection with the Bond. The City's bond counsel will provide documentation associated with this transaction. Documentation will be subject to the review and approval of the Bank and the Bank's counsel. The City agrees to pay all legal fees and expenses of the Bank associated with the review and closing of this transaction, which costs may be paid with proceeds of the Bond with a not to exceed \$18,500 upon initial issuance and \$5,000 upon conversion of taxable Bond to tax-exempt Bond. Bank's counsel shall be the following:

Michael Wiener
 Holland & Knight LLP
 2115 Harden Blvd.
 Lakeland, FL 33803
 (863) 499-5362

3. **Financial Reporting:**

a) ***Borrower(s) shall furnish the following financial reports:***

<u>Type of Report(s)</u>	<u>Frequency</u>	<u>Due Date</u>
<i>Audited Financial Statements</i>	Annually	Within 210 days after the end of the fiscal year
<i>Annual Budget</i>	Annually	Within 60 days after its adoption

The Bank reserves the right to request reasonable additional financial information to supplement or verify certain financial assumptions or verify the creditworthiness of the Borrower.

4. **Legal Opinion:**

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 Bond documents have been validly authorized and executed by and on behalf of the Borrower, if any; (3) all Bond 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; (4) that the interest on the 2022 Bonds is not excludable from gross income of the owners thereof for Federal income tax purposes, and (5) the Bond and Bond documents are exempt from registration and qualification under the Securities Act of 1933 and Trust Indenture Act of 1939. An opinion of counsel to the County in form and substance satisfactory to the Bank.

5. **Financial Covenants:**

All standard covenants and provisions shall be applicable to the Loans, including but not limited to:

Additional Bonds Test: The Borrower may incur additional debt payable from or secured by non-ad valorem revenues, including any debt payable from one or more specific revenue sources, only if the total amount of non-ad valorem revenues for the most recent prior Fiscal Year was at least 2.00 times the maximum annual debt service on all outstanding debt of the Borrower payable from or secured by non-ad valorem revenues and the debt proposed to be issued (including all long-term financial obligations appearing on the Borrower's most recent audited financial statement).

6. **Other Conditions:**

- a. Loan documents shall include language stipulating that the Loan Facility and all existing and future obligations backed by the same security as the Bank Loan shall be on parity with no preference to be given to any particular issuance.
- b. No Material Adverse Change to the Borrower.
- c. Borrower shall maintain, directly or indirectly, a minimum Public Debt Rating (PDR) of A or better on debt secured by a CBA for the term of the debt. In the event the rating falls below "A", then the City shall be required to provide a pledge of a dedicated source of revenue satisfactory to the Bank sufficient to cover maximum annual debt service at least 1.5x. If the additional revenue pledge is not satisfactory to the Bank, then the rate covenant violation constitutes an event of default.
- d. The implementation of certain terms, conditions, covenants or other non-material changes to the proposed Credit Accommodation required as part of the Bank's formal credit approval shall be deemed an approval in substantially the form outlined in this proposed Credit Accommodation.
- e. All standard representations, warranties, rights and remedies in the event of default that are acceptable to the bank, including acceleration rights for payment default.
- f. All legal matters and documentation to be executed in connection with the contemplated proposed Credit Accommodation shall be satisfactory in form and substance to the Bank and counsel to the Bank.
- g. The Bank shall not be required to enter into the proposed Credit Accommodation until the completion of all due diligence inquiries, receipt of approvals from all requisite parties and the execution and receipt of all necessary documentation reasonably acceptable to the Bank and its counsel. Furthermore, certain assumptions are made for this proposal which, if altered, could affect the overall credit approval and or terms of the proposed Credit Accommodation.

Patriot Act Notice. Lender is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56) (signed into law October 26, 2001)) (the "Act") and hereby notifies the Borrower and Guarantor that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower and Guarantor, which information includes the name and address of the Borrower and Guarantor and other information that will allow Lender to identify the Borrower and Guarantor in accordance with the Act.

THIS PROPOSAL IS NOT AND SHOULD NOT BE CONSTRUED AS A COMMITMENT BY THE BANK OR ANY AFFILIATE TO ENTER INTO ANY CREDIT ACCOMMODATION.

Appendix A: Amortization Schedule

Date	Principal
4/1/2023	\$ 1,065,000
4/1/2024	\$ 1,090,000
4/1/2025	\$ 1,110,000
4/1/2026	\$ 1,155,000
4/1/2027	\$ 1,235,000
4/1/2028	\$ 1,255,000
4/1/2029	\$ 1,280,000
4/1/2030	\$ 1,305,000
4/1/2031	\$ 1,325,000
4/1/2032	\$ 1,350,000
4/1/2033	\$ 1,375,000
4/1/2034	\$ 1,405,000
4/1/2035	\$ 1,430,000
4/1/2036	\$ 1,450,000
4/1/2037	\$ 1,475,000
Total	\$ 19,305,000