

January 15, 2013

Revised

VIA Electronic Mail

Ms. Diana Gomez, City of Coral Gables
Mr. Jay Glover, Public Financial management, Inc.

**RE: Request for Bank Loan Proposals – Sunshine State Governmental Financing Commission
City of Coral Gables, Florida**

Dear Ms. Gomez and Mr. Glover,

Pinnacle Public Finance, Inc., a BankUnited Company, is pleased to respond to your financing request.

Corporate Overview: In October 2010, BankUnited acquired the municipal finance business from Koch Financial Corporation and now operates it under the name Pinnacle Public Finance, Inc. Pinnacle is headquartered in Scottsdale, Arizona and is a market leader in providing tax-exempt financing directly to its state and local government clients and through its vendor programs and alliances. With more than \$6 billion in financing and transactional experience in every state in the U.S., our team has the knowledge and the resources to fund complex programs that require innovative and flexible financing solutions.

As Koch Financial Corporation, our group managed a portfolio in excess of \$1 billion and 2,600 municipal leases. Since beginning operations as Pinnacle, we have funded more than 440 municipal transactions totaling over \$ 380 million.

Given that BankUnited is based in Florida, Pinnacle is strongly committed to meeting the needs of our Florida clients. Members of this team have worked with the City of Cape Coral (\$17.6 million), the City of Bay Harbor Islands (\$14.1 million) the City of Fort Lauderdale (\$9.7 million), the Village of Key Biscayne (\$7.2 million), the City of Tavares (\$7 million) and the City of Crystal River (\$5.2 million) to successfully close financings similar to the Commission/City’s proposed loans.

Our proposed terms and conditions are as follows:

Lender: Pinnacle Public Finance, Inc. (“Pinnacle”)

Issuer: Sunshine State Governmental Financing Commission (“Commission”)

Underlying Obligor: City of Coral Gables, Florida (“City”)

Financial Advisor: Public Financial Management, Inc. “(PFM)”

Issue Type: Privately placed loans through the Commission, as the issuer, for the City as underlying obligor. One loan will be issued as tax-exempt obligation and one loan will be issued as a taxable obligation.

Amount Financed: Tax-Exempt Loan: \$ 16,865,000 (*preliminary*)
Taxable Loan: \$ 4,370,000 (*preliminary*)

The aggregate amount of the two loans will not exceed \$22,000,000.

Purpose: The proceeds of the loans will be used to refinance certain loans of the City that were previously issued through the Commission.

Security: The City will covenant to budget and appropriate required debt service payments in its annual budget from all legally available non-ad valorem revenues.

Term: Both loans will have a final maturity of October 1, 2028.

Interest Rate: Tax-Exempt Loan: 2.40%
Taxable Loan: 3.90%

Interest Rate Expiration: The above rates are valid for forty-five (45) days.

Projected Funding Date: It's assumed the loans will close on our about February 15, 2013.

Payment Frequency: Interest payments on the loans will be paid semi-annually each April 1 and October 1, commencing October 1, 2013. Principal payments on the loans will be made annually each October 1, commencing October 1, 2014.

Debt Service Requirements: Please see the attached Preliminary Debt Service Schedules.

Prepayment Terms: The loans are subject to prepayment in full, but not in part, on any payment date beginning October 1, 2018 at a price equal to 101% of the remaining principal balance at that time. *Subject to negotiation.*

Documentation: All financing documentation will be prepared by the Commission's Bond Counsel, Bryant Miller Olive. Pinnacle assumes Bryant Miller Olive will provide an opinion on both validity and tax matters.

Pinnacle will require standard gross up provisions in the event the tax-exempt loan becomes taxable prior to maturity and will limit that to a taxable rate of 4.13%. Additionally, Pinnacle will require default rates in the 4%-5% range be included in the loan documents. *Subject to negotiation.*

This proposal is subject to review and acceptance of all documents by Pinnacle and its outside counsel, Chapman and Cutler LLP.

Fees/Closing Costs: None other than those listed herein, however the Commission will be responsible for any fees or expenses with respect to their (i) issuing costs, if any, (ii) Commission's legal counsel, if any, and (iii) title/registration fees. Pinnacle is willing to finance any of the Commission's expenses related to closing the transaction.

Pinnacle proposes the inclusion of up to \$4,500 for its outside counsel in the costs of issuance. *Subject to negotiation.*

Pinnacle's Role

As Purchaser:

Pinnacle will be acting in this transaction solely as purchaser for its own account and not as a fiduciary for the Commission or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor. Pinnacle has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the Commission with respect to the proposed financing. The Commission will seek and obtain financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the financing from its own financial, legal and other advisors (and not from Pinnacle) to the extent that the Commission deems necessary or appropriate and desires to obtain such advice.

This proposal is subject to final credit approval and final documentation. Please feel free to call me at **480-419-3634** with any questions or further clarification.

Thank you for the opportunity to present this proposal.

Sincerely,



Blair Swain

Vice President, Direct Markets

Preliminary Debt Service Schedules

Tax Exempt Loan

Totals:		\$20,627,299.33	\$3,762,299.33	\$16,865,000.00	Rate 2.4000%	
Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
	2/15/2013					\$16,865,000.00
1	10/1/2013	\$254,099.33	\$254,099.33	\$0.00	NA	\$16,865,000.00
2	4/1/2014	\$202,380.00	\$202,380.00	\$0.00	NA	\$16,865,000.00
3	10/1/2014	\$1,012,380.00	\$202,380.00	\$810,000.00	NA	\$16,055,000.00
4	4/1/2015	\$192,660.00	\$192,660.00	\$0.00	NA	\$16,055,000.00
5	10/1/2015	\$1,027,660.00	\$192,660.00	\$835,000.00	NA	\$15,220,000.00
6	4/1/2016	\$182,640.00	\$182,640.00	\$0.00	NA	\$15,220,000.00
7	10/1/2016	\$1,037,640.00	\$182,640.00	\$855,000.00	NA	\$14,365,000.00
8	4/1/2017	\$172,380.00	\$172,380.00	\$0.00	NA	\$14,365,000.00
9	10/1/2017	\$1,197,380.00	\$172,380.00	\$1,025,000.00	NA	\$13,340,000.00
10	4/1/2018	\$160,080.00	\$160,080.00	\$0.00	NA	\$13,340,000.00
11	10/1/2018	\$1,215,080.00	\$160,080.00	\$1,055,000.00	\$12,530,700.00	\$12,285,000.00
12	4/1/2019	\$147,420.00	\$147,420.00	\$0.00	\$12,530,700.00	\$12,285,000.00
13	10/1/2019	\$1,232,420.00	\$147,420.00	\$1,085,000.00	\$11,424,000.00	\$11,200,000.00
14	4/1/2020	\$134,400.00	\$134,400.00	\$0.00	\$11,424,000.00	\$11,200,000.00
15	10/1/2020	\$1,244,400.00	\$134,400.00	\$1,110,000.00	\$10,291,800.00	\$10,090,000.00
16	4/1/2021	\$121,080.00	\$121,080.00	\$0.00	\$10,291,800.00	\$10,090,000.00
17	10/1/2021	\$1,266,080.00	\$121,080.00	\$1,145,000.00	\$9,123,900.00	\$8,945,000.00
18	4/1/2022	\$107,340.00	\$107,340.00	\$0.00	\$9,123,900.00	\$8,945,000.00
19	10/1/2022	\$1,287,340.00	\$107,340.00	\$1,180,000.00	\$7,920,300.00	\$7,765,000.00
20	4/1/2023	\$93,180.00	\$93,180.00	\$0.00	\$7,920,300.00	\$7,765,000.00
21	10/1/2023	\$1,298,180.00	\$93,180.00	\$1,205,000.00	\$6,691,200.00	\$6,560,000.00
22	4/1/2024	\$78,720.00	\$78,720.00	\$0.00	\$6,691,200.00	\$6,560,000.00
23	10/1/2024	\$1,318,720.00	\$78,720.00	\$1,240,000.00	\$5,426,400.00	\$5,320,000.00
24	4/1/2025	\$63,840.00	\$63,840.00	\$0.00	\$5,426,400.00	\$5,320,000.00
25	10/1/2025	\$1,343,840.00	\$63,840.00	\$1,280,000.00	\$4,120,800.00	\$4,040,000.00
26	4/1/2026	\$48,480.00	\$48,480.00	\$0.00	\$4,120,800.00	\$4,040,000.00
27	10/1/2026	\$1,353,480.00	\$48,480.00	\$1,305,000.00	\$2,789,700.00	\$2,735,000.00
28	4/1/2027	\$32,820.00	\$32,820.00	\$0.00	\$2,789,700.00	\$2,735,000.00
29	10/1/2027	\$1,377,820.00	\$32,820.00	\$1,345,000.00	\$1,417,800.00	\$1,390,000.00
30	4/1/2028	\$16,680.00	\$16,680.00	\$0.00	\$1,417,800.00	\$1,390,000.00
31	10/1/2028	\$1,406,680.00	\$16,680.00	\$1,390,000.00	\$0.00	\$0.00

Taxable Loan

Totals:		\$5,956,457.17	\$1,586,457.17	\$4,370,000.00	Rate 3.9000%	
Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
	2/15/2013					\$4,370,000.00
1	10/1/2013	\$106,992.17	\$106,992.17	\$0.00	NA	\$4,370,000.00
2	4/1/2014	\$85,215.00	\$85,215.00	\$0.00	NA	\$4,370,000.00
3	10/1/2014	\$305,215.00	\$85,215.00	\$220,000.00	NA	\$4,150,000.00
4	4/1/2015	\$80,925.00	\$80,925.00	\$0.00	NA	\$4,150,000.00
5	10/1/2015	\$315,925.00	\$80,925.00	\$235,000.00	NA	\$3,915,000.00
6	4/1/2016	\$76,342.50	\$76,342.50	\$0.00	NA	\$3,915,000.00
7	10/1/2016	\$311,342.50	\$76,342.50	\$235,000.00	NA	\$3,680,000.00
8	4/1/2017	\$71,760.00	\$71,760.00	\$0.00	NA	\$3,680,000.00
9	10/1/2017	\$321,760.00	\$71,760.00	\$250,000.00	NA	\$3,430,000.00
10	4/1/2018	\$66,885.00	\$66,885.00	\$0.00	NA	\$3,430,000.00
11	10/1/2018	\$326,885.00	\$66,885.00	\$260,000.00	\$3,201,700.00	\$3,170,000.00
12	4/1/2019	\$61,815.00	\$61,815.00	\$0.00	\$3,201,700.00	\$3,170,000.00
13	10/1/2019	\$326,815.00	\$61,815.00	\$265,000.00	\$2,934,050.00	\$2,905,000.00
14	4/1/2020	\$56,647.50	\$56,647.50	\$0.00	\$2,934,050.00	\$2,905,000.00
15	10/1/2020	\$336,647.50	\$56,647.50	\$280,000.00	\$2,651,250.00	\$2,625,000.00
16	4/1/2021	\$51,187.50	\$51,187.50	\$0.00	\$2,651,250.00	\$2,625,000.00
17	10/1/2021	\$341,187.50	\$51,187.50	\$290,000.00	\$2,358,350.00	\$2,335,000.00
18	4/1/2022	\$45,532.50	\$45,532.50	\$0.00	\$2,358,350.00	\$2,335,000.00
19	10/1/2022	\$345,532.50	\$45,532.50	\$300,000.00	\$2,055,350.00	\$2,035,000.00
20	4/1/2023	\$39,682.50	\$39,682.50	\$0.00	\$2,055,350.00	\$2,035,000.00
21	10/1/2023	\$344,682.50	\$39,682.50	\$305,000.00	\$1,747,300.00	\$1,730,000.00
22	4/1/2024	\$33,735.00	\$33,735.00	\$0.00	\$1,747,300.00	\$1,730,000.00
23	10/1/2024	\$353,735.00	\$33,735.00	\$320,000.00	\$1,424,100.00	\$1,410,000.00
24	4/1/2025	\$27,495.00	\$27,495.00	\$0.00	\$1,424,100.00	\$1,410,000.00
25	10/1/2025	\$362,495.00	\$27,495.00	\$335,000.00	\$1,085,750.00	\$1,075,000.00
26	4/1/2026	\$20,962.50	\$20,962.50	\$0.00	\$1,085,750.00	\$1,075,000.00
27	10/1/2026	\$365,962.50	\$20,962.50	\$345,000.00	\$737,300.00	\$730,000.00
28	4/1/2027	\$14,235.00	\$14,235.00	\$0.00	\$737,300.00	\$730,000.00
29	10/1/2027	\$369,235.00	\$14,235.00	\$355,000.00	\$378,750.00	\$375,000.00
30	4/1/2028	\$7,312.50	\$7,312.50	\$0.00	\$378,750.00	\$375,000.00
31	10/1/2028	\$382,312.50	\$7,312.50	\$375,000.00	\$0.00	\$0.00