



June 7, 2018

City of Coconut Creek  
Coconut Creek, FL

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*RE: Amended Term Sheet  
RFP No. 05-17-18-02 / \$10,000,000 – Non-Ad Valorem Note*

Florida Community Bank, N. A. a national banking association ("Bank" and/or "FCB") is pleased to consider a financing arrangement (the "Facility") for the City of Coconut Creek, FL (the "City"), the basic terms and conditions of which are set forth below. The proposed Facility is subject to the satisfactory completion of FCB's customary due diligence, underwriting and receipt of credit approval.

**Borrower:** City of Coconut Creek, FL

**Facility:** Bank Qualified Tax Exempt 10 year Fixed Rate Term Note

**Amount:** \$10,000,000 (not to exceed)

**Purpose:** The City will use the proceeds of the Note to funds for various capital projects.

**Term:** The term of the Note will be approximately 10 years from the date of the closing, fully amortizing with a final stated maturity of October 1, 2028.

- Collateral:** The Note will be secured solely by a covenant of the City to Budget and Appropriate legally available Non-Ad Valorem Revenues in an amount sufficient for payment of principal and interest on such Loan as they become due.
- Repayment:** Semi-Annual interest payments, calculated on a 30/360 day basis on the 1<sup>st</sup> of October and April, beginning October 2018. Principal will be paid annually on the 1<sup>st</sup> of October, beginning October 2019 with a stated final maturity date of October 1, 2028.
- Interest Rate:** The interest rate will be fixed at **2.74 percent**. This rate will be held until August 2, 2018. In the event the closing is delayed past this date, the rate will be reset 3 days prior to closing and would be indexed to 79 percent of the prevailing Ten (10) Year Treasury Constant Maturity plus 35 basis points with a floor of 2.74 percent.

The Treasury Constant Maturity will be as published by the Federal Reserve (<http://www.federalreserve.gov/releases/h15/update/>).

- Pre-payment:** The City may prepay and redeem the Note, in whole or part, at any time or from time to time, without penalty or premium.

- Fees:** The City is responsible for all legal and out of pocket expenses associated with the proposed financings. The Bank will be represented by Greenspoon Marder Law, whose fee will be fixed at \$5,500.

- Covenants:** For so long as any of the principal amount of or interest on the proposed Notes are outstanding or any duty or obligation of the City contemplated under the proposed Note remain unpaid or unperformed, the Bank shall be entitled to the Covenants of the Issuer as provided in the City's Ordinance No. 2017-024 duly adopted on July 27<sup>th</sup>, 2017 as amended, restated and supplemented and as may be amended, restated and supplemented by the City thereafter.

**Anti-Dilution Test-** In order for the City to issue additional debt on parity with the subject note, the City's legally available Non-Ad Valorem Funds received by the City during the two (2) fiscal years most recently concluded prior to the incurrence of such debts equals or exceeds 110% of the maximum annual debt service in the then current or any future fiscal year of the City on debt, including the proposed debt, secured by and/or payable from such legally available Non-Ad Valorem Revenues.

**Financial Reporting**

**Audited Financial Statements** – The City shall cause an audit to be completed of its books and accounts and shall furnish to the Bank within 270 days after the end of each fiscal year audited year-end financial statements of the City certified by an independent certified public accountant acceptable to the Bank to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the City and the results of its operations

and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. Such financial statements shall include a balance sheet and statement of revenues, expenditures and changes in fund balances, with comparative figures to the prior year and including a comparison of actual results to budgeted projections.

*Annual Budget.* The City shall adopt an annual budget as required by law. The City shall provide the Bank with a copy of its annual operating budget for each fiscal year not later than 45 days after the commencement thereof.

*Events of Default:*

An "Event of Default" shall be deemed to have occurred under the Loan if:

- a) The City shall fail to make any payment of the principal of or interest on the Note after the same shall become due and payable, whether by maturity, or otherwise; or
- b) The City shall default in the performance of or compliance with any term or covenant contained in the Loan Documents, which default or noncompliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the City by the Bank; or (ii) the Bank is notified of such noncompliance or should have been so notified, whichever is earlier; or
- c) any representation or warranty made in writing by or on behalf of the City in any Loan Document shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or
- d) the City admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or
- e) the City is adjudged insolvent by a court of competent jurisdiction, or it is adjudged bankrupt on a petition in bankruptcy filed by or against the City, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the City, a receiver or trustee of the City or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 90 days from the date of entry thereof; or
- f) the City shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida; or
- g) failure by the City promptly to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations;

*Default Rate &*

*Acceleration:* The "default rate of interest" shall be the lesser of five percentage points in excess of the Bank's Prime Rate of interest or the maximum interest rate allowed by law, charged at the time of the event of default.

*Interest Rate*

*Adjustments:* In the event the interest on the Loans become subject to federal income tax due to actions of the City in any period, the interest rate will convert to the taxable rate during that period. The taxable rate will be calculated by dividing the current tax-exempt rate by 1.

minus the effective federal tax rate. In addition, the City shall make the Bank whole for any interest, penalties, and additions to tax suffered by the Bank.

*Conditions of Lending:*

The obligations of the Bank to lend hereunder are subject to the following conditions precedent:

- a) Documents are and shall be true and correct to the best of the City's knowledge at the time of closing.
- b) On the closing date the City shall be in compliance with all the terms and provisions set forth in the documents on its part to be observed or performed, and no Event of Default nor any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.
- c) On or prior to the closing date, the Bank shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Bank (such satisfaction to be evidenced by the execution of the Notes by the Bank): (i) the opinion of counsel to the City, regarding the due authorization, execution, delivery, validity and enforceability of the Agreement and the Note, the City's power to incur the debt evidenced by the Note, the due adoption and enforceability of the Note Resolution and the due creation and existence of the City and to the effect that the Note is excluded from gross income for federal income tax purposes, and (ii) such additional supporting documents as the Bank may reasonably request.
- d) No material and adverse changes shall have occurred in the financial condition of the City.
- f) 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. The Bank complies with the US Patriot Act of 2001 (the "Act"), including, but not limited to; those sections relating to customer identification, monitoring and reporting of suspicious activities, and the prevention of money laundering. This Act mandates that we verify certain information about the borrower and any guarantor while processing the Credit Accommodation request. Furthermore, certain assumptions are made for this proposal which, if altered, could affect the overall credit approval and or the terms of the proposed Credit Accommodation.

*Waiver of Jury Trial*

City and Bank knowingly, intentionally, and voluntarily waive any right which any of them may have to a trial by jury in connection with any matter directly or indirectly relating to any loan document executed in connection herewith or any other matter arising from the relationship between Bank and City.

Florida Community Bank appreciates the opportunity to submit this Proposal and looks forward to your favorable response. Please understand that this letter is not a formal commitment to extend a loan by the Bank, but is merely intended for discussion purposes only in order to provide you with the basic terms and conditions of our proposal, which are outlined above. In the event FCB is selected as the provider, a Letter



of Commitment will be provided within 10 days of notice of said selection. The terms and conditions outlined in this Proposal are in effect for 45 days from the date of this letter. If you have any questions or need additional information, please do not hesitate to contact me at (305) 669-6334.

Respectfully,



Rafael Borrero  
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Agreed to and accepted this \_\_\_\_ day of \_\_\_\_\_, 2018.

**BORROWER:** City of Coconut Creek

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

