

# REGIONS CAPITAL ADVANTAGE, INC.

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November 4, 2022

Glenn Marcos, Chief Procurement Officer  
City of Fort Lauderdale  
100 N. Andrews Avenue  
Fort Lauderdale, FL 33301

Sergio Masvidal, Managing Director  
Mara Lugo, Senior Analyst  
PFM Financial Advisors LLC

**Reference:** Up to \$45,500,000 Non-Bank Qualified Line of Credit w/ Term Out Option

Dear Mr. Marcos, Mr. Masvidal, and Ms. Lugo:

Regions Capital Advantage, Inc. (the “Lender”) is pleased to furnish this Term Sheet (this “Term Sheet”) to the City of Fort Lauderdale, Florida (the “Borrower”). This Term Sheet contains an outline of suggested terms only, and it does not represent a commitment by Lender or create any obligation whatsoever on Lender’s part. It is for discussion purposes only, and the outlined terms have not received final approval by the appropriate lending authorities within Regions Capital Advantage, Inc.

**Borrower:** City of Fort Lauderdale, Florida

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**Lender:** Regions Capital Advantage, Inc.

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**Role of Lender:** The Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Term Sheet and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Term Sheet, information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Borrower has been informed that the Borrower should discuss this Term Sheet and any such other information, materials or communications with any and all internal and external advisors and experts that the Borrower deems appropriate before acting on this Term Sheet or any such other information, materials or communications.

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Rebecca Reynolds-Russell  
Senior Vice President  
(T) (407) 310-6074  
(E) rebecca.reynolds@regions.com

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Amish Patel  
Senior Vice President  
(T) (561) 837-8232  
(E) amish.patel@regions.com

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**Privately Negotiated Loan:** The Borrower acknowledges and agrees that the Lender is purchasing the Note in evidence of a privately negotiated loan and in that connection the Note shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

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**Purpose:** The proceeds of the Loan will be used to finance the interm funds for the cost of construction of the police headquarters building and pay the cost of issuance (collectively, the "Project").

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**Loan Amount:** Up to \$45,500,000.

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**Structure:** Non-Bank Qualified Tax-Exempt Line of Credit evidenced by a promissory note, bond or other debt instrument (the "Debt Instrument")

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**Interest Rate:** **The Loan is a Tax-Exempt, Non-Bank Qualified Line of Credit.**  
The Loan will bear interest at a variable rate per annum equal to a minimum of (a) 79% of 1M Term SOFR, plus (b) 34 basis points. During the term of the Loan, the variable rate will adjust monthly according to changes in 1M Term SOFR. This rate is offered for illustrative purposes only and does not constitute a commitment by the Lender to lend at the indicative rate. The actual rate for the Loan may be higher or lower depending on market conditions at the time the Loan is closed.

**The Loan is a Tax-Exempt, Non-Bank Qualified Three Year Term Loan.**

FIXED RATE: The Loan will bear interest at a fixed rate per annum for three years equivalent to 79% of the prevailing Two Year United States Treasury rate (the "Index Rate") plus 60 basis points, appearing as the most recent closing price on the United States Treasury website. This rate is offered for illustrative purposes only and does not constitute a commitment by the Lender to lend at the indicative rate. The actual initial fixed rate for the Loan may be higher or lower depending on market conditions at the time the Loan is closed.

**The Loan is a Tax-Exempt, Non-Bank Qualified Five Year Term Loan.**

FIXED RATE: The Loan will bear interest at a fixed rate per annum for five years equivalent to 79% of the prevailing Three Year United States Treasury rate (the "Index Rate") plus 60 basis points, appearing as the most recent closing price on the United States Treasury website. This rate is offered for illustrative purposes only and does not constitute a commitment by the Lender to lend at the indicative rate. The actual initial fixed rate for the Loan may be higher or lower depending on market conditions at the time the Loan is closed.

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**Default Rate:** The interest rate otherwise applicable to the Debt Instrument plus 6.00%.

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**Repayment:** Interest will be payable semi-annually (calculated on the basis of a 30 day month and a 360 day year) on each January 1 and July 1, commencing July 1, 2023.

Term-out of the Line will be repayable through semiannual payments of interest on January 1 and July 1 and annual principal payments on July 1.

All payments are due on the same calendar day of the month.

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**Maturity Date:** Line of Credit: January 1, 2025

Term-out of the Line may be for a tenor of no more than five (5) years.

3Y Term Loan: January 1, 2028

5Y Term Loan: January 1, 2030

Maturity date must fall on a payment due date.

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**Prepayment:** No prepayment penalty on the Line of Credit.

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**Facility Fee:** None.

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**Other Fees, Costs and Expenses:** The Borrower will be responsible for all out-of-pocket fees, costs and expenses of the Lender (including, without limitation, counsel fees and expenses and costs associated with lien searches, and recordation) incurred in connection with the negotiation, execution, delivery, administration and enforcement of the Loan Documents. In consideration of the undertakings of the Lender hereunder, and recognizing that in connection herewith the Lender will be incurring such fees, costs and expenses, the Borrower agrees to reimburse the Lender for all such fees, costs and expenses, regardless of whether, or to what extent, any of the transactions contemplated hereby are consummated.

The Lender has chosen to use Nabors Giblin & Nickerson P.A. as Lender's Counsel, and fees are expected to be \$8,500, provided that Lender's Counsel is only reviewing documentation. Counsel fees may increase if Lender's Counsel is asked to provide other services.

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**Security:** Covenant to Budget and Appropriate from legally available Non-Ad Valorem Revenues of the City.

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**Determination of Taxability:** Upon the occurrence of a Determination of Taxability of the Loan, the Borrower agrees to pay to the Lender a rate of interest from the date of Loan funding that would provide the Lender with an after-tax yield on the then outstanding principal amount of this Loan at least equal to the after-tax yield the Lender could have received if a Determination of Taxability had not occurred.

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**Representations and Warranties:** Usual and customary for this type of financing.

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**Covenants:** Usual and customary for this type of financing, including but not limited to the following:

- (1) The Borrower shall deliver to the Lender each of the following, in form and substance satisfactory to the Lender:
  - (i.) audited financial statements within 270 days after the end of the each of the Borrower's fiscal years;
  - (ii.) annual budget without 30 days of adoption by the Borrower;
- (2) The Borrower shall achieve and observe certain financial covenants to include, without limitation, the following:
  - (i.) City may incur additional debt secured by all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues for the prior fiscal year were at least 1.01 times the maximum annual debt service of all debt to be paid from Non-Ad Valorem Revenues.

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**Defaults:** Usual and customary for this type of financing.

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**Remedies:** The Lender shall have all of the rights and remedies set forth in the Loan Documents, and available at law and in equity, for the enforcement thereof.

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**Legal Opinions:** As an additional condition precedent to the Lender making the Loan, the Borrower shall provide, among other things, the following opinions to the Lender:

an opinion of bond counsel in form and substance satisfactory to the Lender and its counsel in all respects, which shall include opinions to the effect that (a) the Borrower has the authority under the laws of the State of Florida to issue the Debt Instrument and execute and deliver the Loan Documents, (b) that the Debt Instrument has been duly issued and each of the Debt Instrument and the other Loan Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower, (c) that each of the Debt Instrument and the other Loan Documents to which the Borrower is a party is a valid and binding obligation of the Borrower, duly enforceable in accordance with its terms, (d) that interest on the Debt Instrument is excludable from gross income of the holders thereof for federal income tax purposes.

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**Transfer Provisions:** The Lender shall maintain the right to transfer and/or assign, in whole or in part, its rights hereunder, the Debt Instrument and/or the Loan, or, in either case, any interest therein, to any person or entity in its sole and absolute discretion. The Borrower may not assign its rights hereunder or under any of the Loan Documents to any person without the prior written consent of the Lender.

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**Disclaimer:** This Term Sheet describes some of the basic terms and conditions proposed to be included in the documents between the Lender and the Borrower. This Term Sheet does not purport to summarize all the conditions, covenants, representations, warranties, assignments, events of default, cross default, acceleration events, remedies or other provisions that may be contained in documents required to consummate this financing.

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**US Patriot Act:** The Borrower represents and warrants to the Lender that neither it nor any of its principals, shareholders, members, partners, or Affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Borrower further represents and warrants to the Lender that the borrower and its principals, shareholders, members, partners, or Affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

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**Confidentiality:** The Borrower acknowledges and agrees that this Term Sheet and the information set forth herein is confidential and proprietary, and further agrees to keep this Term Sheet and the information set forth herein CONFIDENTIAL. The Borrower shall not disclose this Term Sheet or any of its material terms to anyone, without the prior written consent of the Lender in each instance, except as such disclosure is required by law or regulation or as a result of any legal or administrative procedure.

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**Waiver of Jury Trial:** To the extent permitted by applicable law, each of the Borrower and the Lender irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the Borrower and the Lender, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to this Term Sheet, the Debt Instrument or any of the other Loan Documents. This provision is a material inducement for the Lender's determination to make the Loan and for the parties to enter into the Loan Documents.

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**Governing Law:** State of Florida

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Thank you for providing the Lender with this opportunity to be involved in a financial partnership with the Borrower. The Lender is willing to discuss the terms reflected herein through December 5, 2022. After such date, terms, conditions and pricing may change based on prevailing market conditions and further discussion will be at Lender's sole discretion. We are grateful for your consideration and remain available to promptly respond to any questions that you may have regarding this document. We look forward to hearing from you.

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## EXHIBIT A

In the event Borrower requests Lender to move forward with the approval process after discussion of the aforementioned terms and conditions contained in the Term Sheet, Borrower agrees to reimburse Lender on demand for all out of pocket expenses incurred by Lender if the transaction fails to close for any reason other than Lender's decision not to approve the transaction. Such expenses shall include, but not be limited to, legal expenses incurred by Lender.

### **ACCEPTANCE:**

Borrower does hereby agree to all provisions contained in Exhibit A.

Borrower Signature:

By: \_\_\_\_\_

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

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

**From:** Rebecca Reynolds <[Rebecca.Reynolds@regions.com](mailto:Rebecca.Reynolds@regions.com)>

**Sent:** Sunday, April 23, 2023 7:55 AM

**To:** Sergio Masvidal <[masvidals@pfm.com](mailto:masvidals@pfm.com)>

**Cc:** Mara Lugo <[lugom@pfm.com](mailto:lugom@pfm.com)>

**Subject:** Re: Fort Lauderdale Police HQ Building Line of Credit Financing - Agenda Package

**ALERT:** This message is from an external source. **BE CAUTIOUS** before clicking any link or attachment

Good morning. Please accept this email to confirm Regions Bank is rescinding the "Confidentiality" section of our term sheet to the City of Ft. Lauderdale, and acknowledges the language cannot be applicable per the State of Florida Sunshine Laws.

Thank you,  
Rebecca Reynolds-Russell  
Regions Bank  
Government & Institutional Banking

Rebecca Reynolds-Russell  
SVP, Government & Institutional Banking  
Regions Bank  
407.310.6074 mobile