
PROPOSAL AND TERMS SHEET

Electric Utility Revenue Refunding Note, Series 2021

By and Between

Signature Public Funding Corp.,

and

City of Green Cove Springs, Florida



**SIGNATURE
PUBLIC FUNDING**

Signature Public Funding Corp.,
a wholly-owned subsidiary of Signature Bank

Signature Public Funding Corp.
Dennis McDermott, Executive Sales Officer
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The logo features the word "Signature" in a large, elegant, cursive script font, with a horizontal line underneath it.

**SIGNATURE
PUBLIC FUNDING**

May 21, 2021

City of Green Cove Springs, Florida
c/o Jeremy Niedfeldt
PFM Financial Advisors LLC

RE: Electric Utility Revenue Refunding Note, Series 2021

Dear Mr. Niedfeldt:

Signature Public Funding Corp. is pleased to present a proposal for purchase of the Electric Utility Revenue Refunding Note, Series 2021 (the "Note"). The terms and conditions of our proposal are outlined in the attached Proposal & Terms Sheet.

If you have questions about the proposal please contact me for clarification or follow-up.

Yours truly,

A handwritten signature in grey ink, appearing to read "D. McDermott", with a horizontal line drawn through it.

Dennis M. McDermott
Executive Sales Officer

PROPOSAL & TERMS SHEET
City of Green Cove Springs, Florida

ISSUER: City of Green Cove Springs, Florida, (“Issuer”), which shall be political subdivision or body corporate and politic of the State of Florida and qualify as a political subdivision within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the “Code”).

PURCHASER: Signature Public Funding Corp., a wholly-owned subsidiary of Signature Bank (“Purchaser”), or its Assignee.

USE OF PROCEEDS: The proceeds will be used refund the Issuer’s existing Electric Utility Note, Series 2018

TYPE OF FINANCING: Electric revenue bond

INTEREST RATE: **1.995%**

The Interest Rate assumes a closing no later than June 21, 2021. If funding does not take place by **June 21, 2021**, then the Interest Rate may be adjusted based changes in average life Swap Rate in effect on any of the three (3) days prior to the actual closing date. Once set, the Initial Interest Rate will remain fixed through the maturity date of the Note.

SECURITY: The Note will be secured by a pledge of the net revenues of the Issuer’s Electric Utility

FINAL MATURITY DATE: July 1, 2033.

REPAYMENT: A principal amortization table can be found attached hereto as Annex A. Any changes to the final principal schedule will be determined in a manner that does not materially alter the weighted average life of the principal recovery as reflected in the principal schedule of the Request for Proposal.

If any amounts due and owing with respect to the Note (including principal, interest, or other amounts) are not paid within thirty (30) days of the regularly scheduled due date, then such amounts will accrue and be subject to additional interest at the Taxable Interest Rate as defined below. The Taxable Interest Rate shall be calculated on a 30/360 basis, and charged for each day after the due date that such payment remains unpaid.

TAX EXEMPT STATUS:

The Note will be a tax-exempt financing such that the interest component of payments will be excluded from the gross income calculations of the Purchaser's federal and state taxes. The Issuer covenants and agrees to comply with all requirements of the Code and other rules, laws, regulations and promulgations necessary to keep the interest portion exempt from such income taxes. In the event that the interest income on the Note is included in the Purchaser's federal and state gross income tax calculations for any reason not related to an act or omission on the part of the Purchaser, a per annum interest rate not to exceed **4.00%** (the "Taxable Interest Rate") will be due on the outstanding principal of the Note, together with any fees, fines or penalties, that results in the Purchaser's interest income being deemed taxable by the IRS.

The Purchaser has not provided, nor will it provide tax or accounting advice to the Issuer regarding this transaction or the treatment thereof for tax and accounting purposes. The Purchaser is not a registered financial advisor, nor registered with IRMA, the MSRB or as broker-dealer in securities. The Issuer has obtained independent tax, financial advisory, securities and accounting advice as it deems necessary. An 8038-G will be provided with respect to the Note issued in connection herewith.

PREPAYMENT:

The Note will not be subject to prepayment prior to **July 1, 2026** (the "No Call Period"). On **July 1, 2026** the Issuer will be able to prepay the Note in whole on any payment date following 30 days' prior written notice at 103% of par, on July 1, 2027 at 102% of par, on July 2028 at 101% of par, and on or after July 1, 2020 at par.

LEGAL OPINION:

The Issuer's counsel shall furnish Purchaser with a validity and tax opinion covering, *inter alia*, the tax-exempt nature of this transaction, the ability of the Issuer to issue the Note, and the approval of the documentation used in connection therewith. This opinion shall be in a form and substance satisfactory to Issuer and its counsel.

DOCUMENTATION:

The documentation will be prepared by the Issuer's counsel and is subject to review, reasonable negotiation and approval by Purchaser, and its counsel. The Issuer will be responsible for a \$5,000 fee to Purchaser, which Purchaser will be applied to Purchaser's legal and other transaction costs.

Documentation shall include all standard representations, warranties, and covenants typically

associated with a transaction of this nature, including any requirements of the Purchaser's final credit approval.

REGISTRATION:

CUSIP numbers will not be required or assigned to this issuance.

DUE DILIGENCE:

This proposal shall not be construed as a commitment to lend by Purchaser and is subject to final credit approval by the Signature Public Funding Corp. and Signature Bank and approval of the definitive documentation for the transaction in Signature Public Funding Corp.'s sole discretion. To render a final credit decision, the Issuer shall provide Purchaser with the information requested above. Any and all capitalized terms not specifically defined herein shall be given their meaning under the Bond Documents.

PROPOSAL & TERMS SHEET: PROPOSAL ACCEPTANCE
City of Green Cove Springs, Florida

ACCEPTANCE BY Issuer:

The Proposal & Terms Sheet submitted by Signature Public Funding Corp., has been reviewed, agreed to, and accepted by City of Green Cove Springs, Florida, on _____, 2021.

AGREED AND ACCEPTED:

City of Green Cove Springs, Florida

By: _____
Name:
Title:

