

Summary of Proposals & Advisor Recommendations

Date: May 5, 2022

From: Ford & Associates, Inc. ("Ford & Associates")

To: Town of Highland Beach, Florida (the "Town")

Attn: Town Commission, Town Manager, and Financial Advisory Board

Background. In connection with its plans to construct a new fire station, on April 8, 2022, the Town published a Request for Proposals for a tax-exempt bank loan in the amount of approximately \$5,050,000 (the "Note"). The Town requested that lenders provide proposals for a fixed-rate loan with semiannual principal and interest payments with an initial payment date of September 30, 2022 and a final maturity date of March 30, 2032. In addition, lenders were encouraged to provide a "drawdown" structure that would allow the Town to borrow the total loan amount over time and thereby reduce interest expense during the construction period.

Summary of Recommendation(s). Ford & Associates recommends that the Town select the proposals from either Synovus Bank (Option A) or Webster Bank.

Proposals Received. The Town received proposals from the following eleven (11) lenders:

BciCapital, Inc.	PNC Bank, N.A.
First Internet Public Finance Corp.	Signature Public Funding Corp.
Huntington Public Capital Corporation	Synovus Bank
JPMorgan Chase Bank, NA	Truist Bank
Key Government Finance, Inc.	Webster Bank
Pinnacle Public Finance, Inc.	

Three proposals include multiple structures, giving the Town a total of 16 options from which to choose. 14 are traditional, fixed-rate structures that would fully fund upon closing. Two banks proposed "drawdown" structures. Synovus Bank's Option A structure offers a fixed rate that would allow for drawdown of proceeds over 12 months. PNC Bank, N.A.'s Option 3 structure offers a 2-year drawdown period at a variable interest rate, after which the Note would convert to an 8-year fixed rate according to prevailing Treasury rates at the time of the conversion. All proposals are attached to this memorandum.

Evaluation Methodology. Multiple elements should be considered in determining the best proposal(s) received by the Town, not all of which can be quantified and some of which must be assessed according to the Town's structural preferences and risk tolerance. Selection of a "best" proposal may require accepting some second- or third-best categorical elements in favor of a comprehensively superior structure. We have taken in account the cost of each proposed structure (whether indicative or firm), as well as the financial terms and conditions offered by each lender. When analyzing multiple options, as is the case here, we find that gradually eliminating proposals/structures on the basis of relative disadvantages can be highly efficient.

Additionally, it is our understanding that the Town would like the ability to prepay the Note prior to its stated maturity, if financially feasible. We therefore placed greater emphasis on prepayment options than we might have for a similar transaction absent the expectation of prepayment.

Initial Elimination of Proposals/Structures. Based on discussion at the Town’s Commission meeting on April 5, 2022, we understand the Commission is opposed to the risks associated with variable interest rates. PNC Bank, N.A.’s proposed Option 3 structure would bear a variable interest rate for 2 years, then would formulaically establish a long-term fixed rate according to future US Treasury yields. This structure presents the type of risk the Commission wishes to avoid; we therefore excluded it from further consideration.

PNC Bank, N.A.’s Option 2 fixed-rate structure delays principal amortization for the estimated construction period, with interest-only payments until September 30, 2024. This increases the average life of the Note and is therefore offered at a slightly higher interest rate than the fully amortizing Option 1 structure. Delaying principal payments and incurring a higher interest rate both conflict with the Town’s stated desire to efficiently repay (and prepay) the Note. We excluded this structure from further consideration.

Similarly, JPMorgan Chase Bank, NA’s Option A offers a low-cost structure but lacks any provision for optional prepayment. This conflicts with the Town’s stated goal/intention of paying (and prepaying) the Note as quickly as feasible; we therefore excluded this structure from further consideration.

Proposal Cost Comparison. Using the interest rate and up-fronts costs applicable to the remaining proposed structures, we calculated the estimated All-In True Interest Cost and average annual debt service obligation for the remaining structures as summarized in the table below. All-In True Interest Cost is the discount rate at which future debt service payments are equal to the value of the project funds generated. In other words, this represents the Town’s cost of capital for each structure. Figures for Synovus Bank’s Option A drawdown structure are depicted as maximum and minimum values. The actual cost of the drawdown structure would be determined by the timing and amount of the Town’s draws, which it is not yet feasible to estimate.

Lender / Structure	All-In TIC	Annual Debt Service	Notes
PNC Bank, N.A. (Option 1)	2.751%	\$ 582,423	Indicative rate; set 2 days prior to close
Webster Bank	3.085%	\$ 591,875	Firm rate proposal
JPMorgan Chase Bank, NA (Option B)	3.095%	\$ 592,261	Indicative rate; set upon acceptance
JPMorgan Chase Bank, NA (Option C)	3.216%	\$ 595,707	Indicative rate; set upon acceptance
BciCapital, Inc.	3.235%	\$ 596,210	Rate firm until 5/2/2022
Truist Bank	3.276%	\$ 597,452	Firm rate proposal
Key Government Finance, Inc.	3.342%	\$ 599,272	Indicative rate; set upon acceptance
Pinnacle Public Finance, Inc.	3.346%	\$ 599,484	Firm rate proposal
Signature Public Funding Corp.	3.374%	\$ 600,222	Firm rate proposal
Synovus Bank (Option B)	3.477%	\$ 603,281	Firm rate proposal
Huntington Public Capital Corporation	3.617%	\$ 607,281	Proposal expires 5/5/2022
First Internet Public Finance Corp.	3.874%	\$ 614,842	Firm rate proposal
Synovus Bank (Option A/drawdown)	2.871% (min) 3.497% (max)	\$ 594,606 (min) \$ 603,856 (max)	Firm rate proposal

Importantly, the interest rates proposed by JPMorgan Chase Bank, NA; Key Government Finance, Inc.; and PNC Bank, N.A. are indicative. The rates proposed by BciCapital, Inc. and Huntington Public Capital Corporation will expire prior to the Financial Advisory Board’s meeting on May 9th and should also be treated

as indicative. As of the date of this memo, market interest rates increased since proposals were received on April 28th, which should increase the cost of proposals with indicative rates nominally and relatively to proposals offering “firm” rates.

The proposals from PNC Bank, N.A. (Option 1, indicative), Webster Bank (firm), and JPMorgan Chase Bank, NA (Options B and C, indicative) offer the lowest known borrowing cost. Synovus Bank’s Option A drawdown structure must be included among the low-cost grouping, though the amount and timing of the Town’s draws would ultimately determine whether it provides a cost of capital competitive with the other structures. Additionally, while the Town may generate interest by investing proceeds of the Note until needed under one of the traditional structures, no such investment is possible under the drawdown structure.

Prepayment Flexibility. The Town’s proposals contain a variety of prepayment options that would provide varying levels of financial flexibility. Several proposals allow for a prepayment in full but do not allow for partial prepayments; other proposals allow for partial prepayments that are limited in frequency or subject to minimum amounts. The following table depicts prepayment provisions for the structures discussed above.

Lender / Structure	Prepayment Provisions
PNC Bank, N.A. (Option 1)	Prepay anytime @ make-whole price (in whole or in part) (make-whole penalty increases as rates fall)
Webster Bank	No prepayment through Year 3 (pre-5/20/2025) 1% penalty years 4 and 5 (5/20/2025 - 5/19/2027) Thereafter prepayable w/out penalty (in whole) Partial prepayment once per year w/ \$300k minimum (PD)
JPMorgan Chase Bank, NA (Option B)	Prepay w/out penalty 9/30/2027 (in whole) Partial prepayment possible; no details provided
JPMorgan Chase Bank, NA (Option C)	Prepay w/out penalty 9/30/2025 (in whole) Partial prepayment possible; no details provided
BciCapital, Inc.	Subject to mutual agreement (negotiation)
Truist Bank	Prepayable anytime w/out penalty (in whole) No partial prepayment
Key Government Finance, Inc.	Prepayable anytime w/out penalty (in whole) Partial prepayment subject to request
Pinnacle Public Finance, Inc.	Prepay w/out penalty 3/30/2027 (in whole) Partial prepayment once per year w/ \$250k minimum
Signature Public Funding Corp.	Prepayable anytime w/out penalty (in whole); Partial prepayment once per year w/ \$500k minimum
Synovus Bank (Option B)	Prepay w/ 2% penalty through Year 3 (pre-5/20/2025) Thereafter prepayable w/out penalty (in whole or in part)
Huntington Public Capital Corporation	Prepay w/out penalty 9/30/2029 (in whole) No partial prepayment
First Internet Public Finance Corp.	Prepay w/out penalty 3/30/2027 (in whole) Partial prepayment w/ \$100k minimum
Synovus Bank (Option A/drawdown)	Prepay w/ 2% penalty through Year 3 (pre-5/20/2025) Thereafter prepayable w/out penalty (in whole or in part)

Elimination Based on Cost and Prepayment Flexibility. In our opinion, the balance of cost advantage and varying prepayment flexibility offered by PNC Bank, N.A. (Option 1) and Webster Bank is sufficient to warrant eliminating all other traditional fixed-rate structures. Depending on the timing and amount of draws, Synovus Bank's Option A drawdown structure may offer a highly cost-competitive structure to the Town. Additionally, the prepayment provisions contained in the Synovus Bank proposal are similar to those offered by Webster Bank.

While the estimated borrowing cost of PNC Bank, N.A. (Option 1) is the lowest of all proposals received, the interest rate is indicative. Since April 28th, the 5-year US Treasury yield has risen by roughly 0.20% and we should expect an increase in PNC Bank, N.A.'s rate, as well. This movement will at least partially mitigate that proposal's relative cost advantage. This being the case, we believe the traditional fixed-rate structure offered by Webster Bank is the more prudent choice given the Town's focus on early prepayment of the Note.

Other Proposal Considerations. Certain proposals contain elements that may be of note to the Financial Advisory Board, the Commission, or Town staff. The proposal from JPMorgan Chase Bank, NA stipulates that, in addition to providing the bank with its audited financial statements and budget, the Town must provide any operating disclosures filed pursuant to SEC Rule 15c2-12. While this provision would only apply if the Town were to issue debt via public offering during the life of the Note, it is a provision that should be noted by staff so that it is not forgotten in that seemingly unlikely scenario.

The proposal from Pinnacle Public Finance, Inc. requires the Town to place proceeds of the Note into a segregated account of the Town's choice. This requirement would benefit the Town over time as it makes recordkeeping and reporting much easier than if the proceeds were placed into a fund with other monies of the Town. The Town should consider this course of action regardless of its chosen lender.

The proposal from Signature Public Finance Corp. contains an errant reference to a CRA which is not applicable to the Town's financing and should be ignored.

While some of the Town's proposals were much more comprehensive than others, we found no other provisions in the proposals that we believe in and of themselves were materially better or worse. We acknowledge that less detailed proposals can lead to a more difficult document finalization process.

Recommendation(s). Considering the estimated overall cost of each structure, the prepayment flexibility afforded by each, and a review of the terms and conditions stipulated in each proposal, we believe the Financial Advisory Board and Commission should select the proposal from Webster Bank or the drawdown structure proposed by Synovus Bank (Option A).

It is our pleasure to serve the Town in address its financing needs. If you have any questions about our recommendations or the proposals received, please let us know.

Thank you,

Jonathan W. Ford
Ford & Associates, Inc.

Exhibit 1:

Request for Proposals: Tax-Exempt Bank Loan

Request for Proposals: Tax-Exempt Bank Loan

\$5,050,000*

Town of Highland Beach, Florida

Non-Ad Valorem Revenue Note, Series 2022



The Town of Highland Beach, Florida (the "Town") is seeking proposals from qualified financial institutions (each, a "Lender") to provide a direct loan to the Town in the form of a Non-Ad Valorem Revenue Note, Series 2022 (the "2022 Note"). The Town is seeking the 2022 Note to finance the construction of a new fire station and related appurtenances in the Town (the "Project"), as well as to pay transaction costs related to the 2022 Note.

Proposal Submission

Lenders should submit proposals to the Town and the Town's Municipal Advisor on or before **3:00PM Eastern on April 28, 2022**. Proposals should be submitted in searchable, PDF format via email to the following individuals:

Marshall Labadie

Town Manager

mlabadie@highlandbeach.us

Jon Ford

Ford & Associates, Inc.

jonford@fordassocinc.com

It is the Lender's responsibility to confirm timely receipt of electronic submittals. Any dispute over the timeliness of receipt shall be resolved against the proposing Lender.

Tax Exempt, Bank Qualified

Interest on the 2022 Note will be exempt from Federal income taxes. The 2022 Note will be designated as a qualified tax-exempt obligation under Section 265(b)(3) of the Internal Revenue Code, as amended.

Security / Source of Repayment

The 2022 Note is not subject to annual appropriation. The 2022 Note and interest thereon will be payable solely from and secured by a covenant to budget and appropriate legally available non-ad valorem revenues, subject to customary caveats. Please refer to the Draft Loan Agreement in Exhibit C.

Loan Structure / Interest Calculation

The Town wishes to evaluate two fixed-rate loan structures and Lenders are encouraged to provide pricing for both. Lenders shall not be penalized, however, for providing a response for a single structure.

Under the "Traditional Fixed-Rate Loan" structure, all loan proceeds are wired to the Town on the date of closing. Under the "Drawdown Fixed-Rate Loan" structure, loan proceeds will be drawn throughout the construction period of the Project. The Town does not have an established construction draw schedule at this time.

Structure 1: Traditional Fixed-Rate Loan

Estimated Loan Amount	\$5,050,000 (\$5,000,000 Project Funds + \$50,000 Transaction Costs)
Anticipated Closing Date	May 20, 2022 (anticipated)
Principal Draws	Loan Proceeds fully transferred at closing
Expected Final Maturity	March 30, 2032 (9.86 years) (estimated; subject to adjustment)
Principal & Interest	Semiannual Payments; March 30 th and September 30 th (preferred)
Interest Day Count	30/360 unless otherwise specified
Principal Amortization	Level Debt Service; See <u>Exhibit A</u>

Structure 2: Drawdown Fixed-Rate Loan

Estimated Loan Amount	\$5,050,000 (\$5,000,000 Project Funds + \$50,000 Transaction Costs)
Anticipated Closing Date	May 20, 2022 (anticipated)
Principal Draws	Loan Proceeds to be drawn as needed throughout construction period
Expected Final Maturity	March 30, 2032 (9.86 years) (estimated; subject to adjustment)
Principal & Interest	Semiannual Payments; March 30 th and September 30 th (preferred)
Interest Day Count	30/360 unless otherwise specified
Principal Amortization	Level Debt Service based on total draws

Anticipated Financing Schedule (preliminary; subject to change)

04/08/2022	RFP Distribution
04/20/2022	Deadline for Questions Regarding RFP
04/28/2022	Proposals due from Lenders
05/04/2022	Town Financial Advisory Board Meeting; Selection of Winning Proposal
05/12/2022	Documentation Deadline for Commission Meeting
05/17/2022	Commission Meeting followed by Pre-Closing if approved
05/20/2022	Closing

Town Representation

General Counsel	Torcivia, Donlon, Goddeau & Rubin, P.A.
Bond/Note Counsel	Greenspoon Marder LLP
Municipal Advisor	Ford & Associates, Inc.

The 2022 Note will be a direct bank loan and the Town is not preparing any disclosure information. Ford & Associates, Inc. is serving in the sole capacity of municipal advisor to the Town and not as a placement agent for the 2022 Note.

Cone of Silence

Communication regarding this RFP shall be limited to the submission of questions as described herein. Other than questions submitted via email to the individuals listed below, Lenders shall not contact or otherwise discuss this RFP with employees, officers, or agents of the Town, nor its advisors or counsels unless contacted by the same in



response to a question submitted via email as described below. Any attempts to influence the outcome of the Town's evaluation will result in rejection of that firm's proposal.

Questions

Any questions concerning this RFP should be submitted to the Town and the Town's Municipal Advisor no later than April 20, 2022 via email to the following individuals:

Marshall Labadie	Town Manager	mlabadie@highlandbeach.us
Jon Ford	Ford & Associates, Inc.	jonford@fordassocinc.com

Audited Financial Statements and Budget Documents

The Town's annual budgets and audited financial statements may be accessed at:

<https://highlandbeach.us/departments/finance-department/>

Proposal Requirements

Lenders should, at minimum, include the following in their proposals:

1. **Required Forms.** Proposals must be accompanied by executed copies of forms found in Exhibit B. The Town cannot accept digital signatures or electronic notarization.
2. **Interest Rate.** Lenders must provide a fixed interest rate as part of the proposal and indicate how long the proposed rate will be held. If the interest rate is proposed as indicative, the Lender must state whether the if and how the rate might be locked. Lenders are requested to hold their rates through May 31, 2022. Lenders who agree to hold their proposed interest rate constant from the due date to the closing date will be viewed more favorably than Lenders proposing rates subject to change. Lenders may provide rates on a Bank Qualified or Non-Bank Qualified basis.
3. **Closing Costs.** The Lender must include all costs, fees, and expenses of the Lender, including any related to its counsel, to be paid by the Town upon closing of the 2022 Note. Such figures should be quoted on a not-to-exceed basis and will be used in calculating the overall cost of the proposal.
4. **Prepayment Provisions.** The Lender must specify whether the 2022 Note is subject to prepayment at the option of the Town and, if so, the terms of such prepayment. Inexpensive and early optional prepayment will be considered more favorable to the Town.
5. **Material Changes to Draft Loan Agreement.** The Lender should review the Draft Loan Agreement found in and provide as part of their proposal any material changes the Lender would require.
6. **Truth-In-Bonding Statement.** The successful Lender shall be required to provide the Town with truth-in-bonding statement as provided herein.

Other Information

The Town reserves the right to accept or reject any or all responses submitted and to waive informalities and minor irregularities in any response reviewed and to request resubmission. The Town reserves the right to negotiate all aspects of any proposal. The Town reserves the right to award the financing to the Lender who provides the response and a resulting negotiated agreement which is most advantageous to the Town as determined by the Town in its sole and absolute discretion.

Lenders should include all material terms and conditions as part of their response. The Town will not accept provisions that could result in an increase to the stated interest rate resulting from events or circumstances outside of the Town's control. The Town cannot accept provisions that are legally problematic under Federal or



Florida law, nor any provisions that could adversely impact (or create the appearance of an adverse impact on) other debtholders. Such provisions include, but are not limited to, acceleration of principal, cross-default, and yield maintenance provisions not limited in scope and/or linked to factors outside the control of the Town.

All costs of responding to this RFP are the responsibility of each Lender and may not be charged to the Town, either directly or indirectly. All fees and expenses, including legal fees of each Lender, are on a contingency basis and shall only be paid if and when the financing closes. Any dispute concerning the timeliness of a response shall be resolved against the Lender.

All applicable laws and regulations of the State of Florida and policies and resolutions of the Town will apply to any resulting agreement.

Prior to any closing of the 2022 Note, the Lender selected by the Town must provide the Town with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes and a Truth-In-Bonding Statement pursuant to Section 218.385(2), Florida Statutes.

Truth-in-Bonding Statement

The Lender selected by the Town shall be required to make certain certifications at closing, including certificates necessary for Note Counsel to deliver their opinion, and to the effect of the following:

- We are engaged in the business of entering into transactions similar to the 2022 Note.
- We are purchasing the 2022 Note for our own account (or the account (s) of our banking affiliates) for investment purposes and not for resale; provided, however, that subject to our compliance with federal and state securities laws applicable to us and the transfer restrictions set forth in the 2022 Note, we reserve the right to transfer the 2022 Note or any part thereof or interest therein at any time in our sole discretion. The interest rate represented by the 2022 Note was negotiated pursuant to an arms-length transaction. The full principal amount represented by the 2022 Note will be advanced by the Lender on this date to the Town.
- We are a [bank/bank subsidiary] and we have sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be capable of evaluating the merits and risks of our investment in the 2022 Note.
- We are able to bear the economic risk of our investment in the 2022 Note.
- We understand, acknowledge, and agree that the 2022 Note has not been and will not be registered under the 1933 Act or the securities or Blue Sky laws of any state and are not listed on any stock or securities exchange.
- We understand that no offering statement, prospectus, offering circular, official statement or other disclosure document containing material information with respect to the Town or the 2022 Note is being or has been prepared, and that, with due diligence, we have made our own inquiry and analysis with respect to the Town, the 2022 Note, and the security therefor.
- We have received all financial and other information regarding the Town that we have requested and which we consider relevant or necessary to make an informed decision to invest in the 2022 Note. We have made our own inquiry into the creditworthiness of the Town, we have received all the information that we have requested from the Town or any agents or representatives thereof, and we have been afforded a reasonable opportunity to ask questions about the terms and conditions of the offering, the 2022 Note, the security therefor, and the Town.
- We acknowledge that the 2022 Note does not represent a general obligation of the Town, is not secured by a pledge of the faith and credit of the Town, of Palm Beach County, Florida, or of the State of Florida or any political subdivision thereof and does not create indebtedness of the State of Florida or any political



subdivision thereof, and we further acknowledge that no covenant, stipulation, obligation or agreement contained in any documents related to the 2022 Note is or shall be deemed to be a covenant, agreement, or obligation of any present or future Commission, officer, or employee of the Town in his or her individual capacity.

- We understand that Ford & Associates, Inc. serves as municipal advisor to the Town and represents solely the interests of the Town and not those of the lender.



Exhibit A

Estimated 2022 Note Amortization Schedule

Est. Loan Amortization	
Date	Principal
9/30/2022	\$ 158,000
3/30/2023	222,000
9/30/2023	225,000
3/30/2024	229,000
9/30/2024	233,000
3/30/2025	237,000
9/30/2025	240,000
3/30/2026	244,000
9/30/2026	248,000
3/30/2027	252,000
9/30/2027	256,000
3/30/2028	261,000
9/30/2028	265,000
3/30/2029	269,000
9/30/2029	274,000
3/30/2030	278,000
9/30/2030	283,000
3/30/2031	287,000
9/30/2031	292,000
3/30/2032	297,000
Total:	\$ 5,050,000
Avg Life:	5.44 yrs



Exhibit 2

Addendum 1 to Request for Proposals: Tax-Exempt Bank Loan

Addendum 1 to Request for Proposals: Tax-Exempt Bank Loan

\$5,050,000*

Town of Highland Beach, Florida

Non-Ad Valorem Revenue Note, Series 2022



The Town of Highland Beach, Florida (the "Town") has prepared this addendum to alert potential respondents to amendments to the Town's Request for Proposals: Tax-Exempt Bank Loan published on April 8, 2022 (the "RFP") and to respond to questions submitted regarding the RFP.

Amendment to Draft Loan Agreement attached to RFP

The Town has made changes to the Anti-Dilution Covenant in Section 3.10 of the Draft Loan Agreement attached to the RFP. The Revised Draft Loan Agreement is attached to this Addendum as Exhibit A.

RFP Questions and Answers

Q: *Do you happen to have the most recent ADT as well as their DSC on the CBA for the past 5 years? That would be very helpful if you all, or the Town, has this information.*

A: Please refer to Exhibit A. The Town has prepared estimated anti-dilution test calculations for fiscal years 2017 through 2021 in accordance with the Revised Draft Loan Agreement attached to this addendum.

Q: *Can you provide us with more information on the legally sources of revenues that will secure the repayment of the loan?*

A: The Town's 20 largest sources of non-ad valorem revenue (as of FY 2020) are shown below.

Revenue Source	09/30/2018	09/30/2019	09/30/2020	09/30/2021
Water Utility Revenue	\$ 1,956,783	\$ 2,014,193	\$ 2,036,762	\$ 2,336,579
Building Permits	617,397	921,174	1,212,169	1,100,898
Sewer Utilities Revenue	1,085,969	1,128,148	1,155,248	1,188,036
Franchise Fees - FPL	453,035	667,475	656,616	672,036
Garbage/Solid Waste Revenue	471,580	470,716	527,453	533,491
Administrative Reimbursements	438,550	438,550	499,870	548,100
Local Govt Half-Cent Sales Tax	291,150	271,314	275,768	320,492
Communications Service Tax	282,935	281,279	271,081	251,365
Discretionary Sales Tax	257,778	265,116	252,992	301,206
Interest on Investments	219,805	344,131	156,048	9,597
Other Miscellaneous Revenues	7,543	76,122	152,584	52,290
Reimbursement - Delray Beach	28,223	88,343	125,642	132,258
State Revenue Sharing Proceeds	95,778	105,626	90,843	104,047
Certification, Copies, Lien Search	46,447	48,903	41,482	78,637
Insurance Reimbursements	29,341	26,055	40,938	2,292
Lease - Sprint PCS	39,710	41,654	40,830	45,021
Fire Hydrant- Maintenance Fee	30,720	30,720	25,920	30,720
Rent- U.S. Postal Station	22,917	25,000	25,000	25,000
Local Optional Gas Tax	30,710	36,299	24,844	30,847
Zoning Fees, Board Review Fees	10,086	7,316	23,209	30,650

Q: *The request is for a 10 year fix rate loan. Would the town consider refinancing the loan at year 5?*

A: The Town will consider alternative offerings along with those requested in the RFP.

Q: *Would the town consider establishing a depository relationship with the winning Bidder/lender? Or would that have to be a separate RFP/Bid process?*

A: The Town will evaluate the cost-benefit (both practical and economic) of proposals containing depository requirements, but is likely to view proposals without depository requirements more favorably than an otherwise equivalent proposal.

Q: *Would the town be putting out another bid for the leasing of the first responder vehicles and equipment?*

A: To be determined.

Q: *Could you send a proposed Construction Draw Schedule?*

A: The Town cannot provide a construction draw schedule at this time.

Q: *What is (if any) the Additional Bonds Test?*

A: Please refer to the anti-dilution test in the revised draft loan agreement attached to this Addendum as [Exhibit B](#).



Exhibit A

Estimated Anti-Dilution Test Calculations

	<i>audited</i>	<i>audited</i>	<i>audited</i>	<i>audited</i>	<i>audited</i>	<i>unaudited</i>
	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	
Non-Ad Valorem Revenues						
Total Revenues (Governmental Funds)	11,037,349	11,797,569	12,835,890	13,800,340	14,004,956	
Total Operating Revenues (Enterprise Funds)	3,195,756	3,213,472	3,313,061	3,364,930	3,709,685	
Less: Ad Valorem Revenues (Governmental Funds)	(8,211,536)	(8,608,075)	(8,925,672)	(9,556,810)	(9,738,626)	
Total Non-Ad Valorem Revenues	6,021,569	6,402,966	7,223,279	7,608,460	7,976,015	
Essential Governmental Services Expenditures						
Governmental Funds: General Government	1,805,457	2,240,026	2,282,194	2,326,197	2,480,088	
Governmental Funds: Public Safety	6,417,442	6,615,002	7,348,443	7,555,437	8,095,784	
Enterprise Funds: Operating Expenses (exc. Depreciation)	3,214,638	3,339,339	3,202,737	3,687,841	3,533,452	
Total Essential Governmental Services Expenditures	11,437,537	12,194,367	12,833,374	13,569,475	14,109,324	
Reduction for EGS in Excess of Ad Valorem Revenues	(3,226,001)	(3,586,292)	(3,907,702)	(4,012,665)	(4,370,698)	
Estimated Legally Available Non-Ad Valorem Revenues	2,795,568	2,816,674	3,315,577	3,595,795	3,605,317	
ANTI-DILUTION TESTS						
Existing Included Debt Service	296,881	296,881	296,881	296,881	296,881	
Anti-Dilution Calculation for Existing Included Debt	9.42x	9.49x	11.17x	12.11x	12.14x	
Existing Included Debt Service	296,881	296,881	296,881	296,881	296,881	
2022 Note Debt Service (MADS, Estimated)	592,911	592,911	592,911	592,911	592,911	
Pro Forma Included Debt Service	889,792	889,792	889,792	889,792	889,792	
Pro Forma Anti-Dilution Calculation	3.14x	3.17x	3.73x	4.04x	4.05x	

Proposal Submitted by:

PNC Bank, N.A.



April 28, 2022

Town of Highland Beach
Marshall Labadie
Email: mlabadie@highlandbeach.us

Ford & Associates, Inc.
Jon Ford
Email: jonford@fordassocinc.com

Re: Town of Highland Beach, Florida: Request For Proposal – Tax-Exempt Bank Loan Non-Ad Valorem Revenue Note, Series 2022 for up to \$5,050,000

Good morning Marshall and Jon,

On behalf of The PNC Financial Services Group ("PNC"), attached please find PNC Bank, N.A.'s ("PNC Bank") response to the Town of Highland Beach, Florida (the "Town") Request for Proposals for a Bank Qualified Tax-Exempt Bank Loan (the "Loan") in an aggregate amount not to exceed \$5,050,000. PNC Bank is excited for the opportunity to show support and assist the Town in the completion of this transaction.

PNC brings a team-oriented approach to each financing, offering deep industry experience and sound technical expertise. Furthermore, PNC Bank believes in developing full relationships with its clients. We work hard to comprehensively understand our clients' unique financial needs and leverage the complete capabilities of the bank to respond with thorough, thoughtful solutions.

Once again, PNC is pleased to be able to support the Town in this credit financing solution and aims to have the transaction completed in a timely fashion. If you have any questions or need any additional information, please do not hesitate to contact me.

Regards,

A handwritten signature in blue ink, appearing to read "Nick Ayotte", with a stylized flourish at the end.

Nick Ayotte
Senior Vice President, Public Finance
The PNC Financial Services Group
16740 San Carlos, Blvd
Ft. Myers, FL 33908
(T): 239.437.3736
nicholas.ayotte@pnc.com

PNC BANK, NATIONAL ASSOCIATION

PRELIMINARY SUMMARY OF TERMS AND CONDITIONS FOR LOAN FACILITY

TOWN OF HIGHLAND BEACH, FLORIDA

APRIL 28, 2022

RFP – TAX-EXEMPT BANK LOAN, NON-AD VALOREM REVENUE NOTE, SERIES 2022A

This Term Sheet is not a commitment or an offer to lend and does not create any obligation on the part of PNC Bank, National Association (the "Bank") or any affiliate thereof. Neither the Bank nor any affiliate thereof will be deemed to have extended any commitment to the Borrower unless and until a formal commitment letter is issued and has been executed, delivered and accepted. This outline is only a brief description of the principal terms of suggested loan facilities and is intended for discussion purposes only.

This Term Sheet is delivered to you on the understanding that any of the terms of substance hereunder shall not be disclosed, directly or indirectly, to any other person except your officers, agents and advisors who are directly involved in the consideration of this matter unless required to do so by applicable law or prior written consent has been given by the Bank.

The indicative pricing provided herein is for discussion purposes only, is as of the date of this non-binding proposal and is subject to change daily between now through acceptance and date of close given the extraordinary and rapidly evolving market conditions.

I. PARTIES

BORROWER / ISSUER: Town of Highland Beach, Florida (the "*Borrower*", "*Town*" or "*Issuer*")

LENDER: PNC Bank, National Association (the "*Bank*").

PRIMARY CONTACT:
Nick Ayotte
Relationship Manager, Senior Vice President
16740 San Carlos Boulevard
Fort Myers, FL 33908
(p) 239-437-3736 (f) 239-433-0359
nicholas.ayotte@pnc.com

II. CREDIT FACILITY, SECURITY AND FINANCING DOCUMENTS

CREDIT FACILITY: PNC will provide a tax-exempt bank qualified ("BQ") variable and/or fixed rate loan totaling up to \$5,050,000 (the "*Term Loan*") and as the Term Loan may be documented by a loan agreement between the Borrower and the Bank or a supplemental bond resolution (the "*Loan Agreement*" or the "*Credit Facility*").

PURPOSE: The proceeds of the Term Loan under the Credit Facility shall be used to provide funds to (i) finance the construction of a new fire station and related appurtenances in the Town and (ii) pay the costs of issuance of the 2022 Loan.

MATURITY DATE: March 30, 2032

TOWN OF HIGHLAND BEACH, FLORIDA



OPTION 1

AMORTIZATION:

The Loan will fully fund with a fixed rate at closing and shall amortize in accordance with or similar to the amortization schedule set forth within the RFP (Exhibit A). Principal shall be payable semi-annually every September 30 and March 30 with the first payment due on September 30, 2022.

INTEREST PAYMENTS:

Semiannually on March 30 and September 30 commencing on September 30, 2022 (30/360).

OPTION 2

AMORTIZATION:

The Loan will fully fund with a fixed rate at closing. The initial two (2) years will be interest-only. After the initial two (2) year interest-only period, the Loan shall begin to amortize over eight (8) years with level debt service. Principal shall be payable semi-annually every September 30 and March 30 with the first payment due on September 30, 2024.

INTEREST PAYMENTS:

Semiannually on March 30 and September 30 commencing on September 30, 2022 (30/360).

NOTE:

For Options 1 and 2 which are fully funded, the loan proceeds can be invested in interest-earning vehicles to help offset interest expense during the construction period.

OPTION 3

AMORTIZATION:

The Loan will have an initial two (2) year, variable rate, interest-only draw down period. After the draw down period, the Loan shall begin to amortize with a fixed rate over eight (8) years with level debt service. Principal shall be payable semi-annually every September 30 and March 30 with the first payment due on September 30, 2024.

INTEREST PAYMENTS:

Semiannually on March 30 and September 30 commencing on September 30, 2022 (30/360).

SECURITY:

The security and payment of the principal and interest on the Loan will be secured as per the Pledged Revenues defined in the Draft Loan Agreement supplied with the RFP.

FINANCING DOCUMENTATION:

The Credit Facility shall include standard conditions precedent to purchase and closing, representations and warranties, indemnities, covenants, events of default and remedies. The Loan Agreement, the Note, governing documentation and the other documents required for closing are herein collectively referred to as the "*Financing Documents*."

TAX STATUS OF INTEREST ON THE NOTE:

Interest on the Note shall be excludable from gross income for federal income tax purposes. The Borrower shall take all steps necessary to maintain such tax-exempt status. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Note is excludable from gross income for federal income tax.

CLOSING DATE:

The closing date is expected to occur on or before May 31st, 2022 (the "*Closing Date*") and shall be subject to the satisfaction of the conditions precedent set forth in the Loan Agreement and the conditions precedent described herein.

III. INTEREST RATES AND OTHER KEY PROVISIONS

INDICATIVE FIXED RATES:

For illustrative purposes only, the fixed rates below are indicative ("Indicative Fixed Rates") as of 4.28.2022 and the Final Fixed Rates will be set, based on the Banks Cost of Funds, two (2) days prior to the funding date.

*At the request of the Borrower, the Bank will update these Indicative Fixed Rates at any time. If the Borrower wishes to lock an Indicative Fixed Rate, the Bank is willing to engage the Issuer

with a discussion to lock the rate via a Rate Lock Agreement, together with an approving Resolution. Please note PNC will update this indicative rate the day prior to the approving Council meeting from which to make a final decision and where a Rate Lock Agreement can be executed to lock until the Closing Date.

OPTION 1:	Indicative Fixed BQ Tax-Exempt Loan Rate:	2.534%
OPTION 2:	Indicative Fixed BQ Tax-Exempt Loan Rate:	2.577%
OPTION 3:	Draw Down Period Variable BQ Tax-Exempt Loan Rate: (79% of BSBY) + 24 basis points Eight (8) Year Fixed Rate BQ Formula to be calculated at the end of the Draw Down Period: 79% X (7-Year US Treasury Rate + 70 basis points)	
EARLY PREPAYMENT:	Prepayment on any business day within the guidelines of the Bank's Standard Make Whole provisions. The Bank requires no less than five (5) business days advance written notice of prepayment. Further, the Bank will require the inverse chronological order of the maturities or amortization installments being prepaid.	
EVENT OF TAXABILITY:	If an event of taxability occurs due to action (or inaction) caused by the Borrower in addition to the amounts required to be paid with respect to the Note, the Borrower shall be obligated to pay to the Bank an amount equal to the positive difference, if any, between the amount of interest that would have been paid during the period of taxability if the Bonds had borne interest at a taxable rate and the interest actually received by the Bank with respect to the Note. Borrower shall also be obligated to pay any penalties, interest or other charges that the Bank incurs as a result of such determination of taxability.	
COMPUTATION BASIS:	Fixed and Variable Rates - Computations of interest shall be calculated on a 30/360 day basis.	
DEFAULT RATE:	The Default Rate equals the greatest of (i) the PNC Prime Rate plus 3.0%; (ii) the Overnight Bank Funding Rate plus 3.5%; and (iii) 7.0%.	
IV. OTHER FEES AND EXPENSES		
COMMITMENT/CLOSING FEE:	Waived.	
COSTS AND EXPENSES:	All expenses incurred by the Bank, including security interests, if applicable, and audit and reasonable legal fees (inside and outside), and any other expenses in reference to structuring, documenting, closing, monitoring or enforcing the Financing Documents, if applicable, shall be for the account of the Borrower and payable at closing and otherwise on demand. Assuming a conflict waiver can be obtained, the Bank prefers to use Nabors Giblin & Nickerson as Bank Counsel. Bank Counsel legal fees (review-only / no opinion) will not exceed \$8,500 if awarded the bank loan. All expenses (including counsel fees) shall be paid by the Borrower regardless of whether the transaction is closed.	

**V. FINANCIAL/NEGATIVE COVENANTS
AND FINANCIAL REPORTING**

Affirmative and negative covenants outlined in the Note Resolution, including the reporting covenants listed below, will be specified by the Bank for inclusion in the Financing Documents.

- Annual audited financial statements for the borrower within 210 days of the Borrower's fiscal year end.
- Budgets submitted to the Bank no later than the first day of each Fiscal Year and other items as may be reasonably requested by the Bank which are prepared by the Borrower.
- Anti-Dilution Test as represented in the RFP and its supporting documents

Incorporation of Covenants by Reference. The Borrower agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Loan Agreement and the other Financing Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety.

**VI. CONDITIONS
PRECEDENT TO CLOSING**

The Financing Documents shall include conditions precedent customary for transactions of this nature including, without limitation, the following:

Documentation satisfactory to Bank Counsel; delivery of enforceability and approving opinions; authorizing resolutions (which may be an existing authorizing resolution); financial statements; bring-down of representations and warranties; and certification as to no default or event of default.

**VII. EVENTS OF DEFAULT/
REMEDIES:**

The Loan Agreement shall include events of default customary for transactions of this nature, including, without limitation: payment default, covenant defaults, breach of representations, acceleration rights if granted to other parity debt holders, invalidity or repudiation of any Financing Document or any material provision thereof, judgment default, bankruptcy or insolvency, and pension plan defaults.

Upon the occurrence of an Event of Default, in addition to all other customary remedies, all payment obligations shall bear interest at the Default Rate.

**VIII. CHOICE OF LAW / JURY TRIAL /
OTHER PROVISIONS**

GOVERNING LAW:

The Loan Agreement, and any other documents to which the Bank shall become a party will be governed by the laws of the State of Florida.

USA PATRIOT ACT NOTICE:

Pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. 107 56), the Bank is required to obtain, verify and record information that identifies the Borrower and, potentially, other loan parties, which information may include, without limitation, the name and address of the Borrower and any such loan parties and other information that will allow the Bank to identify the Borrower and other loan parties in accordance with the USA PATRIOT Act.

JURY TRIAL:

To the extent permitted by law, the parties to the Loan Agreement agree to waive a jury trial in any proceeding including the Bank.

TRANSFERS/ASSIGNMENTS:

While the Bank is providing the Credit Facility for its own account without a present intent to transfer the Credit Facility, the Bank reserves the right in its sole discretion to assign, sell, pledge or participate interests in the Credit Facility without the consent of the Borrower.

ADDITIONAL TERMS: The terms and conditions contained in this proposal are not intended to be comprehensive. The definitive Financing Documents may include additional terms and conditions required by the Bank, subject to mutual agreement of the parties, which are not included herein.

UNDERWRITING: Should PNC be appointed the winner of this RFP, the Bank requires a minimum of 2 weeks for the formal underwriting process from the appointed date.

NO ADVISORY OR FIDUCIARY ROLE: The Borrower acknowledges and agrees that: (i) the Bank has not assumed any advisory or fiduciary responsibility to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the Borrower on other matters); (ii) the only obligations the Bank has to the Borrower with respect to the transaction contemplated hereby are expressly set forth in this term sheet; and (iii) the Borrower has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

EXPIRATION: This proposal expires June 30th, 2022 and the Credit Facility must close no later than this date unless otherwise extended by the Bank in writing.

AGREEMENT BY THE ISSUER / BORROWER: The Borrower hereby desires to engage the Bank in the origination of the Credit Facility pursuant to the terms and conditions stated herein.

Recognizing that this Term Sheet is non-binding on the Bank unless and until a commitment is issued, please evidence your interest in proceeding on the foregoing terms and conditions by signing and returning a copy of the document to the Bank on or prior to May 6th, 2022 at which point the Bank will continue with due diligence and credit underwriting for the foregoing transaction.

ACCEPTED AND AGREED TO:

TOWN OF HIGHLAND BEACH, FLORIDA

By: _____

Print Name: _____

Title: _____

Date: _____

TOWN OF HIGHLAND BEACH, FLORIDA



Proposal Submitted by:

Webster Bank



Mark A. Cargo
Managing Director
Webster Bank
Concord, NC 28027
704-287-4493
Email: mcargo@websterbank.com
Website: www.websterbank.com

April 28, 2022

Town of Highland Beach, Florida
3614 South Ocean Blvd.
Highland Beach, Florida, 33487

Project: Non-Ad Valorem Revenue Note, Series 2022

Webster Bank, formerly Sterling National Bank, is pleased to present this financing proposal (the "Term Sheet") to the Town of Highland Beach, Florida subject to final credit approval, in connection with the above-referenced project. Working with Webster Bank has several major advantages, including:

- **Experience and Expertise:** Each member of the Webster Bank Public Finance team has significant experience regarding the financing of essential governmental equipment and projects and can help you document your financing in a manner that complies with applicable local laws.
- **Financial Capability:** The Webster Bank Public Finance team is part of Webster Bank, a publicly traded commercial bank, which has the capability of funding tax-exempt and taxable financings on a nationwide basis.
- **Reliability:** The Webster Public Finance team prides itself on excellent customer service and the prompt closing of awarded transactions.
- **Simplified Financing Structure:** Webster Bank is proposing to finance 100% of the Non-Ad Valorem Revenue Note, Series 2022 via a Revenue Note.

We look forward to working with you and your team on this assignment, and please do not hesitate to contact us with any questions, comments, or concerns. We are positive that you'll enjoy working with Webster Bank.

Very truly yours,

A handwritten signature in black ink, appearing to be 'M. Cargo', written over a light blue horizontal line.

Mark A. Cargo
Managing Director
mcargo@websterbank.com
www.websterbank.com



Mark A. Cargo
Managing Director
Webster Bank
Concord, NC 28027
704-287-4493
Email: mcargo@websterbank.com
Website: www.websterbank.com

TERM SHEET

TYPE OF FINANCING:	A Tax-Exempt Non-Ad Valorem Revenue Note, Series 2022 (the “2022 Note” or “Note”), with repayment from all Non-Ad Valorem Revenues as detailed in the RFP. Lender will fund the Note on a private-placement basis.
BORROWER:	Town of Highland Beach, Florida (the “Town”)
LENDER:	Webster Bank, or its designee or assignee
ESCROW OPTION:	The “Bond” proceeds may be funded into an escrow account (the “Escrow Fund”), with disbursements made as needed. The Escrow may be set up with Webster Bank at no cost and will be collateralized as required by the State of Florida.
AMOUNT FINANCED:	Not to Exceed \$5,050,000.00
PURPOSE/USE:	The Town is seeking the 2022 Note to finance the construction of a new fire station and related appurtenances in the Town (the “Project”), as well as to pay costs related to the 2022 Note.
TERM:	Approximately Nine (9) years, Ten (10) months (Exhibit A).
PAYMENT STRUCTURE:	Borrower shall make Loan payments as set forth in the RFP and in Exhibit A.
ANTICIPATED CLOSING DATE:	On or before June 10, 2022
INTEREST RATE:	2.90%

INTEREST RATE LOCK:

The Interest Rates quoted above are valid through June 10, 2022.

SECURITY:

The 2022 Note and interest thereon will be payable solely from and secured by a covenant to budget and appropriate legally available non-ad valorem revenues subject to customary caveats. The 2022 Notes is not subject to annual appropriation.

PREPAYMENT:

Borrower shall have the right to pre-pay the Note in whole (or in part subject to mutually agreed upon parameters), on any payment date by paying the Principal Balance plus any outstanding interest due, provided the Borrower gives Lender at least thirty (30) days prior written notice of its intent to do so. The Redemption Price, as a percentage of the then-outstanding Note balance, shall be equal to:

Exhibit A:

Year:	Percentage:
1-3	No Call
4-5	101%
Thereafter	100%

FEES OF LENDER:

None. The costs of issuance incurred by Borrower, such as loan counsel fees, are payable by Borrower and may be capitalized into the Note upon request.

DOCUMENTATION:

Borrower shall provide the documentation for the Note, subject to review & approval by Lender. If needed, Borrower shall provide an opinion of legal counsel attesting to the legal, valid, binding, and enforceable nature of the Loans. The Lender will use Gilmore & Bell as counsel to review the documents. The City will be required to send the Lender financial statements on an annual basis by agreed upon dates.

ASSIGNMENT:

Webster Bank (the “Purchaser/Lender”) is purchasing the Loan Obligation as a vehicle for making a commercial loan for its own account with the present intent to hold the Loan Obligation to maturity or earlier prepayment, and without any present intent to distribute or sell any interest therein or portion, provided, however, the Purchaser/Lender reserves the right – without the consent of (but with notice to) the Borrower - to assign, transfer or convey the Loan or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the Borrower, unless and until the Purchaser/Lender has delivered to the Borrower written notice thereof that discloses the name and address of the assignee and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the registered owner of the Loan or (ii) banks, insurance companies or other financial institutions or their affiliates. Nothing in the Loan shall limit the right of the Purchaser/Lender or its assignees to sell or assign participation interests in the Loan to one or more entities listed in (i) or (ii). Webster Bank will sign an Investment Letter upon award.

IRS CIRCULAR 230 DISCLOSURE:

Lender and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not written or intended to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Lender of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

ADVISORY DISCLOSURE:

Webster Bank is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and its related rules and regulations. In providing this Term Sheet, Webster Bank is not providing any advice, advisory services, or recommendations with respect to the structure, timing, terms, or similar matters concerning an issuance of municipal securities. This Term Sheet is a commercial, arms-length proposal that does not create a fiduciary duty by Webster Bank to the Borrower. The Borrower may engage, separately and at its own cost, an advisor to review this Term Sheet and the proposed transaction on the Borrower’s behalf.

CREDIT APPROVAL:

Although favorably prescreened, the Note are subject to final approval by Webster Bank and the negotiation of mutually acceptable documentation. For due diligence, Lender will require Borrower’s three (3) most recent audited financial statements, its most recently adopted budget, and any other information that Lender may reasonably require.

PROPOSAL EXPIRATION:

Unless accepted by the Borrower or extended in writing by Webster Bank at its sole discretion, this Term Sheet shall expire on May 6, 2022.

Upon receipt of the signed Term Sheet, we will endeavor to provide you with a timely commitment, and we will use good faith efforts to negotiate and finance the Note based on the terms herein. It is a pleasure to offer this financing proposal and we look forward to your favorable review.

Very truly yours,



Mark A. Cargo
Managing Director
mcargo@websterbank.com
www.websterbank.com

Agreed to and Accepted by:
Town of Highland Beach, Florida

_____ (Name)

_____ (Title)

_____ (Date)

		Exhibit A--Sample Amortization Schedule				
Funding Amount:		\$5,050,000.00			Interest Rate:	2.900%
Down Payment:		\$0.00			Closing Date:	5/20/2022
Capitalized Interest:		\$0.00			Term (years):	9.83
Cost of Issuance:		<u>\$0.00</u>				
Amount Financed:		\$5,050,000.00				
Payment	Payment	Payment	Interest	Principal	Outstanding	Redemption
<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Component</u>	<u>Component</u>	<u>Balance</u>	<u>Price</u>
Principal:	5/20/2022				\$5,050,000.00	No Call
1	9/30/2022	\$211,363.97	\$53,363.97	\$158,000.00	\$4,892,000.00	No Call
2	3/30/2023	\$292,934.00	\$70,934.00	\$222,000.00	\$4,670,000.00	No Call
3	9/30/2023	\$293,091.42	\$68,091.42	\$225,000.00	\$4,445,000.00	No Call
4	3/30/2024	\$293,452.50	\$64,452.50	\$229,000.00	\$4,216,000.00	No Call
5	9/30/2024	\$294,471.83	\$61,471.83	\$233,000.00	\$3,983,000.00	No Call
6	3/30/2025	\$294,753.50	\$57,753.50	\$237,000.00	\$3,746,000.00	No Call
7	9/30/2025	\$294,618.94	\$54,618.94	\$240,000.00	\$3,506,000.00	No Call
8	3/30/2026	\$294,837.00	\$50,837.00	\$244,000.00	\$3,262,000.00	\$3,294,620.00
9	9/30/2026	\$295,561.93	\$47,561.93	\$248,000.00	\$3,014,000.00	\$3,044,140.00
10	3/30/2027	\$295,703.00	\$43,703.00	\$252,000.00	\$2,762,000.00	\$2,789,620.00
11	9/30/2027	\$296,271.63	\$40,271.63	\$256,000.00	\$2,506,000.00	\$2,531,060.00
12	3/30/2028	\$297,337.00	\$36,337.00	\$261,000.00	\$2,245,000.00	\$2,245,000.00
13	9/30/2028	\$297,733.46	\$32,733.46	\$265,000.00	\$1,980,000.00	\$1,980,000.00
14	3/30/2029	\$297,710.00	\$28,710.00	\$269,000.00	\$1,711,000.00	\$1,711,000.00
15	9/30/2029	\$298,947.41	\$24,947.41	\$274,000.00	\$1,437,000.00	\$1,437,000.00
16	3/30/2030	\$298,836.50	\$20,836.50	\$278,000.00	\$1,159,000.00	\$1,159,000.00
17	9/30/2030	\$299,898.92	\$16,898.92	\$283,000.00	\$876,000.00	\$876,000.00
18	3/30/2031	\$299,702.00	\$12,702.00	\$287,000.00	\$589,000.00	\$589,000.00
19	9/30/2031	\$300,587.98	\$8,587.98	\$292,000.00	\$297,000.00	\$297,000.00
20	3/30/2032	<u>\$301,306.50</u>	<u>\$4,306.50</u>	<u>\$297,000.00</u>		
Total:		\$5,849,119.49	\$799,119.49	\$5,050,000.00		

ABOUT – Webster Bank

The public finance group of Webster Bank provides tax-exempt and taxable financing solutions on a nationwide basis for state & local governments, non-profit corporations, and the federal government. Projects financed include virtually all types of essential capital items, including equipment, vehicles, energy efficiency & renewable energy equipment, and real property. Financing terms are tied to the useful life of the capital improvements and range from 3 to 20 years. Each member of the public finance team has 25 or more years of lending experience and is committed to the timely closing of awarded transactions.

CONTACT INFORMATION

For more information about this financing opportunity, please contact:

Mark Cargo

Managing Director

Webster Bank

Phone: (704) 287-4493

Email: mcargo@websterbank.com

Proposal Submitted by:

JPMorgan Chase Bank, NA

**BANK'S ADDENDUM TO
REQUEST FOR PROPOSALS**

This Addendum, dated April 28, 2022, is attached to and hereby incorporated by reference into that certain Request for Proposals: Tax-Exempt Bank Loan (the Original "RFP") as amended by Addendum 1 to RFP ("Addendum 1" and together with the Original RFP, the "RFP"), from JPMorgan Chase Bank, NA (the "Bank") to The Town of Highland Beach, Florida (the "Town"), regarding the \$5,050,000 Non-Ad Valorem Revenue Note, Series 2022 (the "2022 Note"). This Addendum shall supplement said RFP as indicated below.

FORM OF NOTE:

The Bank shall not require the 2022 Note to be rated by any rating agency. The 2022 Note shall not be initially registered to participate in DTC and will not be in book-entry form, shall not contain a CUSIP number and shall not be marketed during any period in which the 2022 Note is held by the Bank pursuant to any Official Statement, Offering Memorandum or any other disclosure documentation.

REPAYMENT TERMS:

Principal will be paid in twenty (20) consecutive semi-annual payments in the amounts and on the dates set forth in Exhibit A – Estimated 2022 Note Amortization Schedule attached to the Original RFP, issued by Ford & Associates, Inc., as Municipal Advisor to the Town. Principal payments will commence on September 30, 2022, and the final maturity of the 2022 Note will be March 30, 2032.

INTEREST PAYMENTS:

Semi-annual payments of accrued interest on each March 30 and September 30, commencing September 30, 2022.

INTEREST RATE:

The rates provided below are provided exclusively for indicative purposes, based upon market conditions as of April 28, 2022. The actual rate of interest borne by the 2022 Note will be set upon receipt of a signed Addendum from the Town.

The interest rate will be fixed as described above. However, prior to acceptance, the interest rate may increase if the Bank's cost of funds increases. Bank's cost of funds may increase due to a number of factors including, but not limited to, changes in market conditions. Interest will be calculated on a 30/360 basis.

Option A: 2.76% Indicative, non-callable tax-exempt, bank qualified fixed rate, with no optional redemption.

Option B: 3.00% Indicative, callable tax-exempt, bank qualified fixed rate, with optional redemption in whole, at par plus accrued interest and without penalty, on or after September 30, 2025.

Option C: 2.88% Indicative, callable tax-exempt, bank qualified fixed rate, with optional redemption in whole, at par plus accrued interest and without penalty, on or after September 30, 2027.

BANK COUNSEL FEE:

The fees and costs of independent counsel to the Bank, Greenberg Traurig, P.A., Jean E. Wilson and Ashton M. Bligh shall not exceed \$7,500.00, to be paid by the Town at closing, as a cost of issuance, for review of documents only.

SECURITY:

The 2022 Note will be secured by a covenant of the Town to budget and appropriate sufficient legally available non-ad valorem revenues. The Town will deliver to the Bank for its review and approval forms of authorizing legislation approving and authorizing the issuance of the 2022 Note and other documents evidencing and securing the 2022 Note (the "Documentation"). The Documentation shall include the covenant and agreement by the Town to appropriate in its annual budget, by amendment, if necessary, from non-ad valorem revenues of the Town in each fiscal year and which are lawfully available to pay debt service on the 2022 Note, amounts sufficient to pay principal of and interest on the 2022 Note and other amounts due to the Bank.

COVENANTS:

Within thirty (30) days of the incurrence of additional debt payable from non-ad valorem revenues ("Parity Debt"), the Town shall deliver to the Bank a certificate certifying that non ad valorem revenues for the prior fiscal year, minus expenditures for essential government services and programs during such period, equals or exceed 1.25 times the existing and projected maximum annual debt service on debt secured by and/or payable from such non ad valorem revenues.

Such additional covenants, provisions, representations and warranties (whether affirmative or negative) that the Bank and their counsel consider customary and reasonably appropriate for this transaction.

EVENT OF DEFAULT:

Upon the occurrence and continuance of any event of default specified in Section 19 hereof, the Owners of the 2022 Note may pursue any available remedy by suit, at law or in equity in the State of Florida, to enforce the payment of principal of and interest on the 2022 Note then outstanding, including the right to sue the Town for repayment of the full amount of the 2022 Note plus accrued interest.

DEFAULT RATE:

In the event of default, the interest rate will be the interest rate on the 2022 Note, plus 2.00%.

LEGAL OPINION:

The purchase of the 2022 Note will be subject to a satisfactory opinion of Note Counsel or counsel for the Town as to (i) the Town's obligations under the 2022 Note and the Documentation being legal, valid, binding and enforceable against the Town and (ii) the exemption of interest on the 2022 Note from Federal income tax. Each of the opinions delivered by Note Counsel and Town's Counsel, respectively,

must each be addressed to the Bank or permit reliance by the Bank.

BANK QUALIFIED:

This Addendum assumes that the 2022 Note will be issued as a bank qualified tax-exempt obligation under Section 265(b)(3) of the Internal Revenue Code, as amended.

PAYING AGENT/REGISTRAR:

The Bank will not serve as Paying Agent or as Registrar of the 2022 Note. The Bank will invoice for each payment on the 15th business day of the month preceding each payment due date.

DOCUMENTATION:

The Documentation shall be prepared by the Town's Note Counsel, at the Town's expense. Funding will occur upon receipt of all documentation, in form and substance acceptable to Bank and its counsel.

FINANCIAL REPORTING:

The Documentation shall include among other things, the following special covenants: (i) the Town will provide the Bank with a copy of its annual budget for each fiscal year during the term of the 2022 Note and any revisions to its capital improvement program within a reasonable period after the annual budget is approved by the governing body of the Town but not later than 60 days after such approval; and (ii) the Town will provide to the Bank the operating data and financial information which the Town has committed to provide to holders of Parity Debt for which it has entered into a continuing disclosure undertaking pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission as well as such other information regarding the Town and its affairs as the Bank may reasonably request.

Unless available electronically on a public website, the Town's Comprehensive Annual Financial Report with the opinion of an independent certified public accountant is required to be provided to the Bank within 270 days of the close of the Town's fiscal year commencing with fiscal year ended September 30, 2021. The Town will exhibit any notes payable coverage schedule annually within its annual audit.

MUNICIPAL ADVISOR DISCLAIMER:

The Town acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Town and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Town, (iii) the Bank and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank and

its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Town with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the Town on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the Town, and (vi) the Town has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

WEBSITE DISCLOSURE:

Final documentation may be posted by the Town on a national public bond market repository provided that certain information be redacted by the Town as directed by the Bank. Items that should be redacted include signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information.

SOVEREIGN IMMUNITY:

The Town acknowledges and agrees that any sovereign immunity rights that it may have by law do not extend to any contract claims and/or actions Bank has, or may in the future have, arising out of the 2022 Note, and that any such contract claims and/or actions could be brought in Florida Circuit Court or any court where jurisdiction and venue are proper.

MISCELLANEOUS:

This proposal must be accepted on or before May 4, 2022, with funding and closing to occur on or before May 20, 2022, but in no event later than 45 days after the receipt of the signed Bid Addendum, unless the 45th day is a weekend in which case it will default to the previous weekday. If acceptance and funding have not occurred by the above dates, the Bank may, at its option and in its sole discretion, terminate this proposal, or adjust the interest rate. The interest rate will remain indicative until signed acceptance has been received by the Bank.

Submitted by:

JPMORGAN CHASE BANK, NA

Creedence Gonzalez
Vice President, Business Banking
Government and Not-for-Profit
1450 Brickell Ave, Floor 15
Miami FL 33131
(305) 579-9504

creedence.gonzalez@jpmorgan.com

ACCEPTED BY: (for the) Town of Highland Beach, Florida

Option: _____

By: _____

Name: _____

Title: _____

Date: _____

IRS Circular 230 Disclosure: Bank and its affiliates (collectively, "Chase") do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Chase of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

Proposal Submitted by:

BciCapital, Inc.

April 28, 2022

RE: Tax-Exempt Bank Loan for Highland Beach, FL

We are pleased to provide the following tax-exempt financing proposal for the City of Highland Beach. As a leading provider of financial solutions to municipalities, BciCapital and its parent company City National Bank of Florida are well positioned to provide you a variety of financing options to meet your unique needs. Please note, this is a proposal only and not a commitment to finance.

Borrower/Obligor:	City of Highland Beach, FL
Lender:	BciCapital, Inc. (BciCapital), its assignee or designee
Purpose:	Construction and permanent financing for new Fire Station
Type of Financing:	Fully Amortizing, Tax-Exempt Term Loan
Security:	Covenant to Budget and Appropriate from Non-Ad Valorem Revenues
Amount Financed:	\$5,050,000.00 (approximately)
Financing Term:	9.86 Years
Current Fixed Interest Rate:	3.05%
Level P&I Payments:	Billed Semi-annually on March 30 and September 30
Rate Lock:	The above Rate and subsequent payments are <u>fixed</u> , provided 1) this proposal is accepted by the Borrower by May 2, 2022 , and 2) this transaction closes (funds) on or before May 20, 2022 . After these dates, the above rates may be adjusted commensurately with market rates at that time.
Closing Fees:	None charged by the Lender. In the event the Lender is required to retain outside counsel to review issues with the closing documents that cannot be addressed by lender's internal counsel, those additional legal costs (if any) may be capitalized into the total amount financed at closing.
Call Provision:	To be mutually agreed upon by Lender and Borrower
Documentation:	Tax-Exempt Loan documents shall be provided by Borrower's tax counsel providing the terms as described herein. Borrower's tax counsel shall attest to their status as a tax-exempt Borrower. All documents shall be reviewed and approved by the Lender and shall be mutually acceptable to all parties involved.
Tax Status:	This proposal and the Interest Rates set forth herein assume that interest earned by the Lender on this Financing will be excluded from Lender's gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and

is not a specific preference item for purposes of the federal corporate alternative minimum tax.

Taxes / Insurance: Any/all taxes, insurance, appraisals, surveys, bonding or any other costs incurred by the Borrower are the responsibility of the Borrower.

Indicative Terms Only: This proposal is for discussion purposes only. It does not set forth the complete terms or conditions of any transaction and does not constitute an obligation or commitment by BciCapital to make any financing or to provide any other financial accommodation. Any Financing or other credit extension by BciCapital is subject, without limitation to final credit and legal review and approval by BciCapital. As part of its final due diligence, a debt service reserve fund may be required by the Lender.

No Tax or Accounting Advice: BciCapital does not provide any advice regarding the tax or accounting aspects of any financing and shall make no representations or warranties in that regard. Borrower is advised to seek advice as to the tax or accounting aspects of any financing transaction from Borrower's own accountant, lawyer or tax expert. The information provided in this proposal is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. This proposal is for discussion purposes only in anticipation of engaging in a commercial, arm's length transaction in which BciCapital would be acting solely as a principal and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity. BciCapital will not have any duties or liability to any person or entity in connection with the information being provided herein. You should consult with your own legal, accounting, tax, financial and other advisors, as applicable, to the extent you deem appropriate.

Thank you for this opportunity to serve you in connection with this prospective transaction. I look forward to working with you as we proceed toward finalizing terms, credit review and documentation, it being understood however, that neither party shall be obligated to proceed with any transaction unless mutually agreeable definitive documents are agreed on and executed. We appreciate the opportunity to work with you and look forward to hearing from you with regard to this proposal. If you have any questions, please do not to hesitate to call me at **(407) 462-9054** or gene.rogero@bcicmg.com

Sincerely,

Gene Rogero
Vice President

ACCEPTED: City of Highland Beach, FL

BY: _____
NAME: _____
TITLE: _____
DATE: _____

Attached: RFP Acknowledgements

Proposal Submitted by:

Truist Bank



Truist Financial Corporation

Governmental Finance

2320 Cascade Point Blvd. Suite 600
Charlotte, North Carolina 28208
Phone (704) 954-1700
Fax (704) 954-1799

April 28, 2022

Mr. Marshall Labadie
Town of Highland Beach, FL
3614 S Ocean Blvd
Highland Beach, FL 33487

Dear Mr. Labadie:

Truist Bank ("Lender") is pleased to offer this proposal for the financing requested by the Town of Highland Beach, FL ("Borrower").

PROJECT:	Non-Ad Valorem Revenue Note, Series 2022
AMOUNT:	\$5,050,000.00
MATURITY DATE:	March 30, 2032
INTEREST RATE:	3.06%
TAX STATUS:	Tax Exempt – Bank Qualified
PAYMENTS:	<u>Interest:</u> Semi-Annual <u>Principal:</u> Semi-Annual
INTEREST RATE CALCULATION:	30/360
SECURITY:	Covenant to Budget and Appropriate legally available non-ad valorem revenues of the Borrower.
PREPAYMENT TERMS:	Prepayable in whole at any time without penalty
RATE EXPIRATION:	June 10, 2022
DOCUMENTATION/ LEGAL REVIEW FEE:	\$7,500
FUNDING:	The financing shall be fully funded at closing and allow for a maximum of four funding disbursements in the form of wires or checks.

DOCUMENTATION: It shall be the responsibility of the Borrower to retain and compensate counsel to appropriately structure the financing documents according to Federal and State statutes. Documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable or non-bank qualified in accordance with the Internal Revenue Code. These provisions must be acceptable to Lender. In the event of default, any amount due, and not yet paid, shall bear interest at a default rate equal to the interest rate on the Non-Ad Valorem Revenue Note, Series 2022 plus 2% per annum from and after five (5) days after the date due.

Lender shall also require the Borrower to provide an unqualified bond counsel opinion, a no litigation certificate, and evidence of IRS Form 8038 filing. Lender and its counsel reserve the right to review and approve all documentation before closing. Lender will not be required to present the bond for payment.

REPORTING

REQUIREMENTS: Lender will require financial statements to be delivered within 270 days after the conclusion of each fiscal year-end throughout the term of the financing or in accordance with state requirements.

Lender shall have the right to cancel this offer by notifying the Borrower of its election to do so (whether this offer has previously been accepted by the Borrower) if at any time prior to the closing there is a material adverse change in the Borrower's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Borrower or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to Lender.

Costs of counsel for the Borrower and any other costs will be the responsibility of the Borrower.

The stated interest rate assumes that the Borrower expects to borrow no more than \$10,000,000 in the current calendar year and that the financing will qualify as qualified tax-exempt financing under the Internal Revenue Code. Lender reserves the right to terminate this bid or to negotiate a mutually acceptable interest rate if the financing is not qualified tax-exempt financing.

We appreciate the opportunity to offer this financing proposal. Please call me at (803) 413-4991 with your questions and comments. We look forward to hearing from you.

Sincerely,

Truist Bank

A handwritten signature in black ink, appearing to read 'AGS', with a long horizontal flourish extending to the right.

Andrew G. Smith
Senior Vice President

Proposal Submitted by:

Key Government Finance, Inc.



**Town of Highland Beach, FL
Non-Ad Valorem Revenue Note, Series 2022
Summary of Terms and Conditions
April 28, 2022**

This Financing proposal is provided for discussion purposes only and does not represent a commitment from Key Government Finance, Inc. ("KGF"). This proposal and its terms are submitted on a confidential basis and shall not be disclosed to third parties (other than the Borrower's officers, directors, employees and advisors charged with reviewing and/or implementing the transactions contemplated hereby) without KGF's consent. This proposal is intended as an outline of certain material terms of the Facility and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions which would be contained in definitive documentation for the Facility contemplated hereby.

Key Government Finance, Inc., ("Lender") is pleased to provide the following term sheet for a direct purchase financing structure to the Town of Highland Beach, FL.

Lender:	Key Government Finance, Inc. ("Lender").
Borrower:	Town of Highland Beach, FL (the "Town" or the "Borrower").
Issue:	Non-Ad Valorem Revenue Note, Series 2022 (the "2022 Note").
Facility:	Direct Purchase of the 2022 Note by the Lender.
Tax Treatment:	Tax-Exempt.
Amount:	~\$5,050,000
Use of Proceeds:	The proceeds of the 2022 Note will be used to finance the construction of a new fire station and related appurtenances in the Town (the "Project") and pay costs of issuance.
Drawdown:	All funds will be drawn down at closing.
Final Maturity Date:	March 30, 2032.
Repayment:	Principal due semi-annually on September 30 th commencing on September 30, 2022, until the Final Maturity Date as shown in the RFP. Interest due semi-annually on March 30 th and September 30 th commencing on September 30, 2022, until the Final Maturity Date.
Facility Term:	The anticipated closing date for this Facility is May 20, 2022. KGF will purchase the 2022 Note through the Final Maturity Date.

Interest Rate Lock Option:

At the Borrower's request, the Lender can provide an interest rate lock option ("Interest Rate Lock") good through a June 4, 2022 closing date. The Interest Rate Lock will require a two-party e-mail confirmation between Lender and Borrower to confirm the terms of the Interest Rate Lock as provided by Lender, provided however, the Borrower will not be subject to any breakage fees if the Facility does not close for any reason. If the Interest Rate Lock confirmation is not received by Lender within the specified time, or the Facility closes after the agreed upon lock period, the final interest rate will be subject to index between the proposal date and the closing date based on the change in the KeyCorp Cost of Funds index.

Based on market conditions as of April 28, 2022, the Interest Rate Lock option is quoted below. Any revision to the amortization that increases the average life of the financing may result in a re-pricing of the Interest Rate Lock provided.

This Interest Rate Lock needs to be accepted by the Borrower no later than May 5, 2022 and would be valid for closing on or before June 4, 2022.

If the transaction does not close, the Town will not pay a termination fee on the rate lock, it will just expire. If the Borrower needs more time to accept the rate lock, please inform the Lender and we can request an extension to meet the new timeframe.

Interest Rate Lock		
	Weighted Average Life (Months)	Tax-Exempt Interest Rate
2022 Note	65	3.156%

Interest Day Count: 30/360

Up-Front Fee: \$0

Costs of Issuance: Lender plans to use Kutak Rock LLP as outside legal counsel. Lender's Counsel fee to be paid by the Lender. Attorney contact information is provided below:

Andrew Romshek
Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102
(402) 231-8797

Andrew.Romshek@KutakRock.com

Bradley Nielsen
Kutak Rock LLP
650 Farnam Street
Omaha, NE 68102
(402) 231-8780

bradley.nielsen@KutakRock.com

Prepayment: The Facility may be prepaid in whole, but not in part, any time at par plus accrued interest. Partial prepayment may be available upon request.

Security: The 2022 Note and interest thereon will be payable solely from and secured by a covenant to budget and appropriate legally available non-ad valorem revenues.

Financial Reporting:	<p>Borrower shall provide directly to the Lender:</p> <ol style="list-style-type: none"> 1. Annual audited financial statements including operating statistics within 270 days of Borrower's fiscal year end.
Financial Covenants:	<p>Anti-dilution test of 1.25x as currently defined. Debt service fund as referenced in the Loan Agreement.</p> <p>Any amendment, modification and/or waiver will require the consent in writing by the Lender.</p>
Default Rate:	<p>3% above the current interest rate for any outstanding payments in default, upon the occurrence of a payment default longer than 90 days, the default interest rate shall apply to all outstanding principal, until the payment default has been cured.</p>
Event of Taxability and Gross-Up Rate:	<p>An Event of Taxability will be based only on action or non-action of Authority. In the Event of Taxability, the tax-exempt interest rate would convert to the taxable interest rate of 3.995%.</p>
Increased Cost:	<p>No increased cost provisions will be required by the Lender.</p>
Documents:	<p>All documents shall be attorney prepared and in form and substance acceptable to the Lender and its legal counsel, including legal opinions customary for transactions of this nature. Bond counsel will provide a Validity Opinion regarding the legality, validity, and enforceability of the Facility and a Tax Opinion regarding the tax-exempt nature of the interest earnings on the financing, if converted.</p> <p>No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.</p>
Credit Approval:	<p>Lender has received a positive credit pre-screen for this transaction. The estimated amount of time required to obtain final credit approval is 1-3 business days after receipt of formal award assuming timely receipt of requested financial information, if any.</p>
Conditions Precedent to Closing:	<p>Borrower's obligation will be subject to such terms and conditions that Lender may require with respect to this transaction, or as are customarily required with respect to similar credits and as set forth in the facility documents. Without limitation, such terms and conditions shall include:</p> <ol style="list-style-type: none"> 1. Absence of Default. 2. Accuracy of Representations and Warranties. 3. Negotiation and Execution of satisfactory closing documents. 4. Absence of material adverse change in financial condition of Borrower during the period from the date hereof to the Closing Date. 5. Formal credit approval by the Lender.
Firm Experience:	<p>The Lender is a subsidiary of KeyBank, N.A. KGF's portfolio consists of over \$5 billion of tax-exempt and taxable leases, loans, and bonds for municipalities, not-for-profits, and manufacturers across the United States.</p>
Other:	<p>The Lender will make a loan by purchasing the 2022 Note under the following additional conditions: (i) the 2022 Note is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) the Lender will hold the 2022 Note as one single debt instrument; (iii) no CUSIP numbers will be obtained for the 2022 Note; (iv) no final official Statement has been prepared in connection with the private placement of the 2022 Note; (v) the 2022 Note will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the 2022 Note is not listed on any stock or other securities exchange.</p>
Expiration Date:	<p>May 5, 2022.</p>

Proposal Acceptance/Expiration

This proposal is issued in reliance upon the accuracy of all information presented by you to us and is contingent upon the absence of any material adverse change in your condition, financial or otherwise, from the condition as it was represented to us at the time of this proposal. This proposal is subject to our formal approval and the execution of documentation acceptable to each of us. **IT IS NOT A COMMITMENT BY US TO ENGAGE IN THIS TRANSACTION.**

(a) Key Government Finance ("KGF") is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (b) KGF is acting for its own interests; and (c) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

KGF (i) is an entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, and (ii) the present intent of the KGF, is to hold the municipal securities to maturity or earlier redemption or mandatory tender. Any placement agent, broker or financial advisor may rely upon the representations and warranties contained in this paragraph.

Lender notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, as amended and supplemented) (the "Patriot Act"), that Lender is required to obtain, verify and record all information that identifies Borrower, which information includes the name and address of Borrower and other information that will assist Lender to identify Borrower in accordance with the Patriot Act."

Lender acknowledges that, in connection with Borrower's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Borrower pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Borrower may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice of its incurrence of its obligations under this Facility and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Facility, in each case including a description of the material terms thereof (each such notice, an "EMMA Notice"). Borrower shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Lender or any Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Borrower acknowledges and agrees that Lender is not responsible in connection with any EMMA Notice relating to this Facility for Borrower's compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

If the outlined foregoing proposal is satisfactory, reflects an arrangement that suits the need of your organization and you would like Key to commence its due diligence process, please sign and return this proposal. The terms described in this proposal will expire on May 5, 2022 if we have not received an authorized signed copy on or before such date.

Thank you for allowing us the opportunity to present this Proposal. If you have any questions, please call me at 315-470-5180.

Sincerely,

Key Government Finance, Inc.

By: _____


David Zapata
VP & East Region Manager
201 South Warren Street, 4th Floor
Syracuse, NY 13202
David_Zapata@keybank.com

APPROVED THIS _____ DAY OF _____, 2022

Town of Highland Beach, FL

By: _____

Print Name: _____

Title: _____

Proposal Submitted by:

Pinnacle Public Finance, Inc.

April 28, 2022

VIA Electronic Mail

Mr. Marshall Labadie
Town Manager
Town of Highland Beach, Florida

Mr. Jon Ford
Ford & Associates, Inc.

**RE: Request for Proposals – Town of Highland Beach, Florida
Non-Ad Valorem Revenue Note, Series 2022**

Dear Mr. Labadie and Mr. Ford,

Pinnacle Public Finance, Inc., a BankUnited Company, is pleased to provide this response to the Request for Proposal for the Town of Highland Beach, Florida Non-Ad Valorem Revenue Notes, Series 2022. Pinnacle is submitting for Structure 1 only.

Corporate Overview: In October 2010, BankUnited acquired the public 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 financing directly to its state and local government clients and through its vendor programs and alliances.

Since beginning as Pinnacle, our group has funded over 2,380 municipal transactions nationwide totaling more than \$3.4 billion. Pinnacle has the knowledge and the resources to fund complex programs that require innovative and flexible financing solutions.

Given that BankUnited is based in Florida, Pinnacle is strongly committed to meeting the needs of our Florida clients. Members of our team have successfully funded more than 50 transactions totaling over \$540 million in Florida.

Our proposed terms and conditions are as follows:

Borrower:	Town of Highland Beach, Florida (“Borrower” or “Town”)
Lender:	Pinnacle Public Finance, Inc., a BankUnited Company (“Lender” or “Pinnacle”)
Municipal Advisor:	Ford & Associates, Inc. (“Advisor”)
Note Counsel:	Greenspoon Marder LLP (“Note Counsel”)
Lender’s Counsel:	Chapman and Cutler LLP (“Lender’s Counsel”)

Issue Type: Municipal loan in the form of a note (the “Loan”). The registered owner will be Pinnacle Public Finance, Inc. and Pinnacle requests physical delivery of the note, printed on safety paper, with no CUSIP and no reference to DTC or book-entry only system.

Transaction Amount: \$5,050,000 (*preliminary and subject to change*)

Purpose: The Loan proceeds will be used to fund the construction of a new fire station and related appurtenances in the Town and pay the costs of issuance.

Security: The payment of principal and interest will be secured by a covenant to budget and appropriate from all legally available Non-Ad Valorem revenues of the Town.

Term: The Loan will have a final maturity of March 30, 2032 with an average life of approximately 5.4 years

Interest Rates: 3.13%

Interest Rate Expiration: The Interest Rate is valid through May 20, 2022.

Projected Funding Date: It is assumed the Loan will fund on or before May 20, 2022.

Payment Frequency: Principal and interest will be paid semi-annually each March 30 and September 30, commencing September 30, 2022.

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

Prepayment Terms:

Prepayment in Whole
Prior to March 30, 2027, the Loan is not subject to prepayment. Beginning March 30, 2027, the Loan is subject to prepayment in whole any time at a price equal to par plus accrued interest.

Prepayment in Part
Prior to March 30, 2027, the Loan is not subject to prepayment. Beginning March 30, 2027, the Loan is subject to prepayment in part one-time per year on a payment date in a minimum amount of \$250,000 at a price equal to par. Partial prepayments will be applied on a pro rata basis.

Subject to negotiation.

Documentation: The Lender assumes all financing documentation will be prepared by Note Counsel in form and content acceptable to the Lender and Lender's Counsel. Further, it is assumed Note Counsel will provide a validity and tax opinion at no cost to the Lender.

This proposal is subject to review and acceptance of all documents by the Lender and Lender's Counsel.

**Gross Up for
Taxability:**

The Lender will require a gross up provision in the event the Loan becomes taxable due to actions or omissions of the Town. If the Loan becomes taxable the taxable rate of interest will be calculated using the formula below:

$$\text{Interest Rate} / (1.00 - \text{Maximum Current Corporate Tax Rate}^*) = \text{Taxable Rate}$$

*Such Corporate Tax Rate being expressed as a decimal.

Maximum Federal Corporate Tax Rate means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender as of such day).

The taxable interest rate will be effective as of the date of a final determination of the Internal Revenue Service or a court of competent jurisdiction or an opinion of a nationally recognized bond counsel selected by the Lender.

**Requested
Provisions:**

The Lender assumes customary events of default for a transaction of this nature will be included. The Lender requests a default rate of 6% be included in the transaction with the default rate going to 7% if the obligation has become taxable as described in Gross Up for Taxability. *Subject to negotiation.*

The Lender requires the Loan proceeds be deposited in a segregated account with a financial institution of the Borrower's choice to manage draws during the construction phase.

The Lender may require a regular accounting of the use of Loan proceeds during the construction phase. *Subject to negotiation.*

The Lender anticipates the Borrower will be subject to an Additional Bonds / Anti-Dilution Test requiring a minimum of 1.25X coverage as long as the Loan is outstanding.

The Lender requires the Loan documents make no reference to any Uniform Commercial Code Section relating to Investment Securities (i.e., UCC Article 8).

The Lender requires the ability to transfer the Loan as stated below in Assignment.

Reporting:	The Lender will request that the Borrower agree to provide its CAFR within 210 days of the close of each fiscal year. Additionally, the Lender will request that the Borrower agree to provide such other financial information as the Lender may reasonably request, including but not limited to, its annual budget for any prior or current fiscal year or subsequent fiscal years. <i>Subject to negotiation.</i>
Assignment:	It is our present intention to hold the Loan to maturity; however, the Lender will require that it reserves the right to assign, transfer or convey the Loan (or any interest therein or portion thereof) only to any of its affiliates or to banks, insurance companies or similar financial institutions or their affiliates, including participation arrangements with such entities.
Fees/Closing Costs:	The Lender proposes the inclusion of up to \$7,000 for Lender's Counsel in the costs of issuance. The Borrower will be responsible for any fees or expenses with respect to its (i) issuing costs, (ii) legal counsel (iii) Note Counsel and (iv) title/registration fees, if any.
Pre-Close Requirements:	The Lender will require a complete executed copy of the transcript by noon the day prior to funding (a scanned copy is acceptable). Ultimately, the Lender will require a complete transcript with original signatures.
Borrower Covid-19 Impact Representation:	Pinnacle reserves the right to ask the Town to provide a signed copy of a Certificate of Director of Finance Regarding Covid-19 Impact. A form of the certificate and associated questions has been included with this proposal.
IRMA Representation:	The Lender requests the Borrower provide a letter confirming the Advisor is acting as Independent Registered Municipal Advisor under the SEC Municipal Advisor Rule. A copy of the requested letter is provided with this proposal.
Pinnacle's Role As Lender:	The transaction described in this document is an arm's length, commercial transaction between the Borrower and Pinnacle in which: (a) Pinnacle is acting solely as a principal (<i>i.e.</i> , as a lender) and for its own interest; (b) Pinnacle is not acting as a municipal advisor or financial advisor to the Borrower; (c) Pinnacle has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Borrower with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether Pinnacle has provided other services or is currently providing other services to the Borrower on other matters); (d) the only obligations Pinnacle has to the Borrower with respect to this transaction are set forth in the definitive transaction agreements between Pinnacle and the Borrower; and (e) Pinnacle is not recommending that the Borrower take an action with respect to the transaction described in this document, and before taking any action with respect to this transaction, the Borrower should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate.

Credit Approval: This proposal is subject to credit approval.

Please feel free to call me at **480.688-4064** with any questions or further clarification.

Thank you for the opportunity to present this proposal.

Sincerely,



Blair Swain
Senior Vice President, Direct Markets

Preliminary Debt Service Schedule

Totals:		\$5,909,861.43	\$859,861.43	\$5,050,000.00	Rate 3.1300%	\$5,909,861.43	
Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance	Annual Total
	5/20/2022					\$5,050,000.00	
1	9/30/2022	\$215,079.03	\$57,079.03	\$158,000.00	Non-Callable	\$4,892,000.00	
2	3/30/2023	\$298,559.80	\$76,559.80	\$222,000.00	Non-Callable	\$4,670,000.00	\$513,638.83
3	9/30/2023	\$298,085.50	\$73,085.50	\$225,000.00	Non-Callable	\$4,445,000.00	
4	3/30/2024	\$298,564.25	\$69,564.25	\$229,000.00	Non-Callable	\$4,216,000.00	\$596,649.75
5	9/30/2024	\$298,980.40	\$65,980.40	\$233,000.00	Non-Callable	\$3,983,000.00	
6	3/30/2025	\$299,333.95	\$62,333.95	\$237,000.00	Non-Callable	\$3,746,000.00	\$598,314.35
7	9/30/2025	\$298,624.90	\$58,624.90	\$240,000.00	Non-Callable	\$3,506,000.00	
8	3/30/2026	\$298,868.90	\$54,868.90	\$244,000.00	Non-Callable	\$3,262,000.00	\$597,493.80
9	9/30/2026	\$299,050.30	\$51,050.30	\$248,000.00	Non-Callable	\$3,014,000.00	
10	3/30/2027	\$299,169.10	\$47,169.10	\$252,000.00	\$2,762,000.00	\$2,762,000.00	\$598,219.40
11	9/30/2027	\$299,225.30	\$43,225.30	\$256,000.00	\$2,506,000.00	\$2,506,000.00	
12	3/30/2028	\$300,218.90	\$39,218.90	\$261,000.00	\$2,245,000.00	\$2,245,000.00	\$599,444.20
13	9/30/2028	\$300,134.25	\$35,134.25	\$265,000.00	\$1,980,000.00	\$1,980,000.00	
14	3/30/2029	\$299,987.00	\$30,987.00	\$269,000.00	\$1,711,000.00	\$1,711,000.00	\$600,121.25
15	9/30/2029	\$300,777.15	\$26,777.15	\$274,000.00	\$1,437,000.00	\$1,437,000.00	
16	3/30/2030	\$300,489.05	\$22,489.05	\$278,000.00	\$1,159,000.00	\$1,159,000.00	\$601,266.20
17	9/30/2030	\$301,138.35	\$18,138.35	\$283,000.00	\$876,000.00	\$876,000.00	
18	3/30/2031	\$300,709.40	\$13,709.40	\$287,000.00	\$589,000.00	\$589,000.00	\$601,847.75
19	9/30/2031	\$301,217.85	\$9,217.85	\$292,000.00	\$297,000.00	\$297,000.00	
20	3/30/2032	\$301,648.05	\$4,648.05	\$297,000.00	\$0.00	\$0.00	\$602,865.90

Proposal Submitted by:

Signature Public Funding Corp.

PROPOSAL AND TERMS SHEET

Non-Ad Valorem Revenue Note, Series 2022

By and Between

Signature Public Funding Corp.,

and

Town of Highland Beach, Florida



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

Signature Public Funding Corp.
Dennis McDermott, Executive Sales Officer
600 Washington Avenue, Suite 305
Towson, Maryland 21204
(470) 597-9280
dmcdermott@signatureny.com



SIGNATURE
PUBLIC FUNDING

April 28, 2022

Marshall Labadie
Town Manager
Town of Highland Beach, Florida

RE: Non-Ad Valorem Revenue Note, Series 2022

Dear Mr Labadie:

Signature Public Funding Corp. is pleased to present a proposal for purchase of the Non-Ad Valorem Revenue Note, Series 2022 (the "Bonds"). 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,

Dennis M. McDermott
Executive Sales Officer

PROPOSAL & TERMS SHEET

Town of Highland Beach, Florida

ISSUER:	Town of Highland Beach, 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 to finance a new fire station and to pay the cost of issuance.
TYPE OF FINANCING:	Covenant to budget and appropriate.
INTEREST RATE:	3.168% The Term Sheet assumes a closing no later than May, 28, 2022. If funding does not take place by <u>May 20, 2022</u> , 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 Bonds.
SECURITY:	<p>The Bonds will be secured by a covenant to budget and appropriate from all Non-Ad Valorem Revenues of the Town.</p> <p>The Bonds will be additionally secured by a lien on and pledge of the tax increment revenues collected by the CRA.</p>
FINAL MATURITY DATE:	March 30, 2032
REPAYMENT:	<p>A principal amortization table can be found attached hereto as <u>Annex A</u>. 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.</p> <p>If any amounts due and owing with respect to the Bonds (including principal, interest, or other amounts) are not paid within thirty (30) days of the regularly scheduled</p>

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 Bonds 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 Bonds 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 6.40% (the "Taxable Interest Rate") will be due on the outstanding principal of the Bonds, 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 Bonds issued in connection herewith.

PREPAYMENT:

The Bonds will not be subject to prepayment prior to **September 1, 2028** (the "No Call Period"). On or after **September 1, 2028** the Issuer will be able to prepay the Bonds in whole on any payment date following 30 days' prior written notice 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 Bonds, 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
Town of Highland Beach, Florida

ACCEPTANCE BY Issuer:

The Proposal & Terms Sheet submitted by Signature Public Funding Corp., has been reviewed, agreed to, and accepted by Town of Highland Beach, Florida, on _____, 2022.

AGREED AND ACCEPTED:

Town of Highland Beach, Florida

By: _____
Name:
Title:

Proposal Submitted by:

Synovus Bank



Government Banking Solutions

April 28, 2022

Marshall Labadie
Town Manager
Town of Highland Beach, FL
3614 S. Ocean Blvd.
Highland Beach, FL

VIA EMAIL: mlabadie@highlandbeach.us

Jon Ford
Ford & Associates, Inc.

VIA EMAIL: jonford@fordassocinc.com

RE: \$5,050,000 Town of Highland Beach, FL, Non-Ad valorem Revenue Note, Series 2022

We truly appreciate the opportunity to be your partner in this endeavor. As you will see, Synovus Bank understands the complex issues encountered by governmental entities. Having an experienced Government Banking Solutions team, coupled with the approach of local community relationships, we are positioned to not only provide the attached proposal, but also to assist in future needs of the Town.

With a history dating back to 1888 based on a single act of kindness, Synovus Bank has grown into a full-service financial services company that's proud to meet the banking needs of families, individuals, businesses, and governmental entities across the Southeast. Through our family of companies spanning commercial and retail banking, mortgage and investments, we're committed to building long-term relationships and providing responsive, caring service. We remain committed to the philosophies that have made us unique and successful in the markets we serve. The key to our success has been, and always will be, our service culture. Our people believe in honesty and treating people right – keeping the customer first. Our goal extends beyond solely offering products. It includes taking an advisory role and collaborating with our clients to achieve higher performance.

Our name, like our company, is unique, a word formation composed of synergy and novus. Synergy means working together – the interaction of separate components in such a way that the total is greater than the sum of the individual efforts. Novus, a Latin word, means new – usually of superior quality and different from others in the same category.

Please note, in the event the Town chooses the Draw-Down option, the bank would entertain the delay of principal payments until the completion of the project. The revised amortization schedule would be agreed upon by both parties.

Once again, we look forward to the opportunity to be your partner. If after review, you have any questions or need additional information please feel free to contact either of us at the numbers listed below.

Respectfully,

Andy LaFear
Government Banking Solutions
Synovus Bank
7768 Ozark Drive, Suite 100
Jacksonville, FL 32256
(904) 347-7068
andylafear@synovus.com

Jim Mitchell, SVP
Sr. Director, Government Banking Solutions
Synovus Bank
2325 Vanderbilt Beach Road
Naples, FL 34109
(239) 552-1819
jimmitchell@synovus.com



Government Banking Solutions

April 28, 2022

Marshall Labadie
Town Manager
Town of Highland Beach, FL
3614 S. Ocean Blvd.
Highland Beach, FL

VIA EMAIL: mlabadie@highlandbeach.us

Jon Ford
Ford & Associates, Inc.

VIA EMAIL: jonford@fordassocinc.com

RE: \$5,050,000 Town of Highland Beach, FL, Non-Ad valorem Revenue Note, Series 2022

Synovus Bank ("Lender", "Bank" and/or "Synovus") is pleased to consider a financing arrangement (the "Facility") for the Town of Highland Beach, Florida (the "Town") the basic terms and conditions of which are set forth below. This financing proposal is not exhaustive, and the credit facility is subject to other terms and conditions normally required by Synovus for similar transactions. The proposed Facility is subject to the satisfactory completion of Synovus's customary due diligence, underwriting and receipt of credit approval. This letter is not a commitment to lend.

Borrower: Town of Highland Beach, Florida (the "Town")

Facility: Bank Qualified, Tax-Exempt Note

Amount: \$5,050,000 (not to exceed)

Purpose: The Town will use the proceeds to finance the construction of a new fire station and related appurtenances in the Town (the "Project"), as well as to pay transaction costs related to the 2022 Note.

Collateral: The Note is a limited obligation of the Town payable solely from and secured by a covenant to budget and appropriate ("CB&A") legally available non-ad valorem revenues, subject to customary caveats.

Term: Option A - Drawdown Option - The term of the Draw Period shall not exceed 12 months from the date of closing. Upon expiration of the Draw Period, the draw down line shall convert to an amortizing Note over the remaining 106-month period. The term of the Note shall not exceed 9 years

and 10 months (118 months) from the date of closing, fully amortizing with a final stated maturity of March 30, 2032.

Option B - Fully Funded at Closing Option - The term of the Note will be 118 months. Fully amortizing with a final stated maturity of March 30, 2032.

Interest Rate: Option A) The interest rate will be fixed at **3.28** percent at closing. The rate will be held until May 28, 2022. In the event the closing is delayed past that date, the rate will be reset three days prior to the scheduled closing and will equal 79 percent of the prevailing Ten (10) Year Treasury Constant Maturity plus 109 basis points with a floor of **3.28** percent. This rate will be fixed until Final Maturity of March 30, 2032.

Option B) The interest rate will be fixed at **3.26** percent at closing. The rate will be held until May 28, 2022. In the event the closing is delayed past that date, the rate will be reset three days prior to the scheduled closing and will equal 79 percent of the prevailing Ten (10) Year Treasury Constant Maturity plus 107 basis points with a floor of **3.26** percent. This rate will be fixed until Final Maturity of March 30, 2032.

The Treasury Constant Maturity will be as published by the Federal Reserve located via the internet at <https://www.federalreserve.gov/releases/h15/>.

Repayment: Semi-Annual principal and interest payments on the 30th of each March and September, commencing September 30, 2022. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Pre-payment: The Note can be prepaid at a premium of 102 percent any time prior to the third anniversary of the closing date and at par thereafter.

Fees: The Town'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 Town 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 Note. Legal costs shall be capped at no more than \$7,500. The Bank's legal counsel for proposed transaction will be Foley and Lardner.

Covenants: For so long as any of the principal amount of or interest on the proposed Note is outstanding or any duty or obligation of the Town contemplated under the proposed Note remains unpaid or unperformed, the Town covenants to the Bank as follows:

- 1) **Payment** – the Town shall pay the principal of and interest on the proposed Note at the time and place and in the manner provided in the Note.

- 2) **Notice of Defaults** – the Town shall within ten days after it acquires knowledge thereof, notify the Bank in writing upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passing of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank with such written notice, a detailed statement by a responsible officer of the Town of all relevant facts and the action being taken by the Town with respect thereto.
- 3) **Records** – the Town agrees that any and all records of the Town related to the Note shall be open to inspection by the Bank, or its representatives at all reasonable times at the office of the Town.
- 4) **Maintain Existence** – The Town will take all reasonable legal action within its control in order to maintain its existence as a political subdivision of the State and shall not voluntarily dissolve.
- 5) **Notice of Liabilities** – the Town shall promptly inform the Bank in writing of any actual or potential contingent liabilities or pending or threatened litigation of an amount limited to \$5,000,000 or greater that could reasonably be expected to have a material and adverse effect upon the financial condition of the Town or upon the ability of the Town to perform its obligation under the proposed Note.
- 6) **Insurance** – The Town shall maintain such liability, casualty, and other insurance as is reasonable and prudent for a similarly situated Town and shall upon request of the Bank, provide evidence of such coverage to the Bank.
- 7) **Comply with Laws** – the Town is in compliance and shall comply with all applicable federal, state, and local laws and regulatory requirements.
- 8) **Books and Records** – Books and records of the Town shall be kept in which complete and correct entries shall be made, in accordance with generally accepted accounting principles.

Financial Reporting

The Town will cause a financial audit to be completed of its books and accounts for each fiscal year, beginning with the fiscal year ending September 30, 2021, and shall furnish such financial audit to the Bank within 270 days of the end of each such fiscal year. The financial audit shall be prepared in accordance with Chapter 10.550 of the Rules of the Florida Auditor General or the provisions of any successor state or rule governing Florida local governmental entity audits. In addition, the Town shall adopt an annual budget as required by law. The Town 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.

Anti-Dilution Test

The Town shall not incur any Included Debt unless the amount of Legally Available Non-Ad Valorem Revenues during the fiscal year of the Town most recently concluded prior to the incurrence of such Included Debt and for which audited financial statements of the Town are available, as adjusted, equals or exceeds 125 percent of the maximum annual debt service requirement of all Included Debt, including the proposed debt. Included Debt shall mean all indebtedness of the Town payable from Legally Available Non-Ad Valorem

Revenues or by a pledge of a particular source or sources of Legally Available Non-Ad Valorem Revenues.

Events of Default:

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

1. The Town 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
2. The Town shall default in the performance of or compliance with any term or covenant contained in the Note Documents, which Default or noncompliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the Town by the Bank; or (ii) the Bank is notified of such noncompliance or should have been so notified, whichever is earlier; or
3. Any representation or warranty made in writing by or on behalf of the Town in any Note Document shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or
4. The Town 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
5. The Town is adjudged insolvent by a court of competent jurisdiction, or it is adjudged bankrupt on a petition in bankruptcy filed by or against the Town, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Town, a receiver or trustee of the Town 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
6. The Town 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
7. Failure by the Town promptly to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations.

Default Rate: 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 Note becomes subject to federal income tax in any period due to **actions or inactions of the Town**, the interest rate will convert to the taxable rate during that period. The taxable rate will be calculated by dividing the tax-exempt rate by 1 minus the maximum federal tax rate at the time the Note becomes taxable. In addition, the Town 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 Town's knowledge at the time of closing.
- b) On the closing date the Town 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 acceptance of the Bonds by the Bank): (i) the opinion of bond counsel to the Town, regarding the due authorization, execution, delivery, validity and enforceability of the Agreement and the Note, the Town'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 Town 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 Town.
- 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*

Town 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 Bond document executed in connection herewith or any other matter arising from the relationship between Bank and Town.

Synovus Bank appreciates the opportunity to submit this Proposal and looks forward to your favorable response. If you have any questions or need additional information, please do not hesitate contacting either of us at the numbers below.

Respectfully,



Andy LaFear
Government Banking Solutions
Synovus Bank
7768 Ozark Drive, Suite 100
Jacksonville, FL 32256
(904) 347-7068
andylafear@synovus.com



Jim Mitchell, SVP
Sr. Director, Government Banking Solutions
Synovus Bank
2325 Vanderbilt Beach Road
Naples, FL 34109
(239) 552-1819
jimmitchell@synovus.com

Agreed to and accepted this ____ day of _____, 2022.

BORROWER: **Town of Highland Beach, Florida**

Signature: _____

Name: _____

Title: _____

Proposal Submitted by:

Huntington Public Capital Corporation



TERM SHEET

DATE:	April 28, 2022
ISSUE:	Non-Ad Valorem Revenue Note, Series 2022 (the "Note")
ISSUER/BORROWER:	Town of Highland Beach, Florida (the "Town")
PURCHASER/LENDER:	Huntington Public Capital Corporation ("Huntington")
SECURITY:	The 2022 Note is not subject to annual appropriation. The 2022 Note and interest thereon will be payable solely from and secured by a covenant to budget and appropriate legally available non-ad valorem revenues, subject to customary caveats.
PRINCIPAL AMOUNT:	\$5,050,000 (fully drawn at closing)
USE OF PROCEEDS:	The proceeds from the sale of the Note will be used to finance the construction of a new fire station and related buildings in the Town (the "Project").
BOND COUNSEL:	Greenspoon Marder LLP
PURCHASER'S COUNSEL:	TBD
CLOSING DATE:	May 20, 2022
TAX STATUS:	Tax Exempt, Bank Qualified
FINAL MATURITY:	March 30, 2032
INTEREST RATE:	3.41%
RATE ADJUSTMENT:	If the funding of the Notes has not occurred by May 20, 2022, then the Interest Rate and payment will be adjusted to maintain Huntington's economics as of the date of issuing this Term Sheet.
FEE TO HUNTINGTON FOR COUNSEL:	Up to \$5,000.00
TRANSACTION FEES:	All transaction fees, including those of Bond Counsel, shall be the responsibility of the Issuer.
INTEREST PAYMENTS:	Semiannual Payments on March 30 th and September 30 th , computed on the basis of a 30-day month and 360-day year and beginning September 30, 2022.
PRINCIPAL PAYMENTS:	Semiannual Payments on March 30 th and September 30 th in accordance with Exhibit A in the RFP document: Estimated 2022 Note Amortization Schedule.
OPTIONAL PREPAYMENT:	This Note shall be subject to prepayment by the Town in whole, but not in part, at par at any time upon 30 days written notice beginning on September 30, 2029.
DIRECT PLACEMENT:	Huntington is extending credit as a lender in the usual course of its loan business through the purchase of the Notes for its own account in its normal and customary business practice, with no current intention on the resale, distribution or transfer thereof.
DOCUMENTATION:	Transaction documents shall be prepared by Bond Counsel, subject to review and approval by Huntington and its Purchaser's Counsel.

PAYING AGENT: Town of Highland Beach, Florida

RATING: Not required by Huntington

POS/OFFICIAL STATEMENT: Not required by Huntington

CUSIP: Not required by Huntington

DTC CLOSING: Not required by Huntington

PROPOSAL EXPIRATION: This proposal shall expire at Huntington's option if (a) Huntington has not received the Issuer's written acceptance by May 5, 2022 and (b) if the closing date of the Notes has not occurred by May 20, 2022.

HUNTINGTON CONTACT: Abby King
Huntington Public Capital
Cell: (614) 204-0121
Email: abby.king@huntington.com

Respectfully Submitted,

Abigail E King

ACCEPTED BY:

Town of Highland Beach, Florida

By _____

Name _____

Title _____

Date _____

Huntington Public Capital® ("HPC"), a division of The Huntington National Bank (the "Bank"), is providing the information contained in this document for discussion purposes only in connection with an arm's-length transaction under discussion between you and HPC. If you are a "municipal entity" or "obligated person" within the meaning of the municipal advisor rules (the "Rules") of the Securities and Exchange Commission, Rule 15Ba1-1 et seq. this information is provided to you pursuant to and in reliance upon the "bank exemption," and/or other exemptions and/or the "general information" exclusion provided under the Rules. HPC is acting for its own interest and has financial and other interests that differ from yours. HPC is not acting as a municipal advisor or financial advisor, and has no fiduciary duty, to you or any other person pursuant to the Rules. The information provided in this document is not intended to be and should not be construed as "advice" within the meaning of the Rules. HPC is not recommending that you take or refrain from taking any action with respect to the information contained in this document. Before acting on this information, you should discuss it with your own financial and/or municipal, legal, accounting, tax and other advisors as you deem appropriate. As used in this notice, the "Rules" means Section 15B of the Securities Exchange Act of 1934, the Securities and Exchange Commission's Rule 15Ba1-1, et seq., and any related municipal advisor rules of the Municipal Securities Rulemaking Board, all as they may be amended from time to time.

Proposal Submitted by:

First Internet Public Finance Corp.

April 28, 2022

Marshall Labadie
Town Manager
Town of Highland Beach, Florida
mlabadie@highlandbeach.us

Jon Ford
Municipal Advisor
Ford & Associates, Inc.
jonford@fordassocinc.com

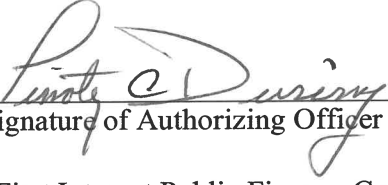
RE: BID FOR \$5,050,000 NON AD-VALOREM REVENUE NOTES, SERIES 2022

To whom it may concern:

Subject to the provisions of the Notice of Sale, relating to \$5,050,000 Non Ad-Valorem Revenue Notes, Series 2022 dated May 20, 2022 with a final maturity of March 30, 2032, that is made a part hereof, we offer to purchase the Notes described therein as follows:

Interest Rate per Annum: (Rate held until 5/31/22)	3.67%*
Amount of Notes Bid for:	\$5,050,000.00
Price of Notes Bid for:	\$5,046,000.00
Net Interest Cost:	\$1,002,427.58 / 3.684%
Prepayment Provisions:	3/30/2027 @ 100% (30 days' notice)
Lender's Counsel Fee: (to be paid by Issuer)	\$4,000.00

And, in addition thereto, to pay interest accrued from the Dated Date of the Notes to the date of delivery, if Closing shall occur subsequent to the Dated Date.



Signature of Authorizing Officer

First Internet Public Finance Corp.

Timothy C. Dusing

8701 E. 116th Street, Fishers, IN 46038

317-806-1947

tdusing@firstib.com

*See Footnotes

Footnotes

- First Internet Public Finance Corp. (“First Internet” or the “Lender”) would be booking the purchase of the Non Ad-Valorem Revenue Notes (the “Notes”) as a loan and as such would prefer the Notes not have a CUSIP number assigned to them, not be registered with The Depository Trust Company, not be rated and that the closing binder for the Notes not include any preliminary or final Official Statement. First Internet would need the Notes to be in fully registered form, registered to First Internet Public Finance Corp.
- Additionally, First Internet would prefer minimum denominations of \$100,000, with integral multiples of some smaller amount in excess thereof as appropriate.
- First Internet will book their purchase of the Notes as a loan and would prefer certain language in the closing documents reflect that First Internet is acting as a lender and not an investor.
- The closing documents will include an acknowledgement from the Township that First Internet is not acting as a municipal advisor to the Township and that the Township has relied on its own external and internal advisors and experts in issuing the Notes and not on First Internet.
- **Reporting Requirements:** In order to comply with current banking regulatory guidelines, the Lender is required to conduct an annual credit review on all outstanding loans. This annual review requires the Lender to update all credit information utilized in analyzing the initial loan underwriting. In an effort to assist the Lender in completing the required annual review, to the extent not otherwise available via EMMA and for so long as the Loan remains outstanding, the Town agrees to provide to the Lender, upon written request of the Lender: (i) the audited financial statements of the Town by March 31 of each year, or within sixty (60) days of receipt of such financial statements if received after March 31; and (ii) annually no later than March 31 of each year, beginning March 31, 2023, an annual report for the Town including (a) a schedule of historical collections of legally available non-ad valorem revenues of the Town, (b) the Town's estimated anti-dilution test calculations, and (c) a schedule showing the Town's 10 largest sources of non-ad valorem revenue. Failure to comply with the reporting requirements outlined in this Reporting Section shall not constitute an event of default under the Loan Documents.
- **With respect to the Loan Agreement,** the Lender would request that the Loan Agreement clearly state that the Note does not need to be presented for payment, except upon final maturity or redemption in full. The Lender would also prefer the Loan Agreement provide for payment of debt service by wire transfer or ACH.