TERM SHEET

This loan facility ("Facility") is provided by the Florida Department of Commerce ("Commerce"), located at 107 East Madison Street, Tallahassee Florida, 32399, to City of Madeira Beach, Florida ("Borrower") 300 Municipal Drive, Madeira Beach, Florida 33708. Commerce and the Borrower are collectively referred to as the "Parties" and each individually as a "Party."

Background. This Term Sheet sets out the terms and conditions pursuant to which Commerce will provide the Facility of up to $3,148,500.00 to the Borrower for Governmental Operations, as that term is used in Section 288.066.

Full Documents. This Term Sheet is not intended to create a legal obligation between the Parties, and is intended only to set forth the terms under which the Facility will be offered, subject to the terms and execution of definitive documents embodying all of the terms and conditions between the Parties with respect to the Facility (the "Loan Documents").

Working Capital Facility	
Nature and Purpose of the Facility	Commerce has agreed to provide the Borrower with a loan facility (the "Facility") that is non-interest bearing for the term of the Facility.
Use of Funds	The use of funds will be limited to costs associated with continuing, expanding, or modifying local governmental operations to meet disaster-related needs, and includes costs such as, but not necessarily limited to, staff salaries and payroll. This term does not include capital and equipment costs associated with the construction, repair, or renovation of damaged public facilities or infrastructure.
Amount of Facility	$3,148,500.00
Fee	There is no fee associated with this Facility.
Interest Rate	During the term of the Facility interest shall not accrue. Subject to the Repayment Term section below, simple interest will accrue on an annualized basis on the Outstanding Principal at a rate of 3% (the "Interest Rate").
Preconditions to Availability of Facility	Commerce is not obliged to provide the Facility to the Borrower until Commerce: • has received a certified copy of one or more resolutions of the Borrower's Board of Commissioners authorizing the execution and delivery of the Loan Documents; • has received one or more signed copies of the Loan Documents from the Borrower; and • has countersigned and returned to the Borrower the Loan Documents.
Availability of Facility	The Facility is available for disbursement immediately after the execution of all Loan Documents.
Repayment Term	Amounts outstanding (the "Outstanding Principal") under the Facility may be repaid at any time without any penalty. The Borrower must repay the Outstanding Principal within 120 months (10 years) after executing all Loan Documents. Any amount outstanding under the Facility becomes immediately repayable in full on the earlier of: • the termination of the Loan Documents (other than termination resulting from the conclusion of a formal agreement), or if a formal agreement was entered into incorporating the provisions of the Loan Documents, the formal agreement; • the occurrence of an Event of Default (which is not remedied within the time period required to remedy such a default after notice to that effect from Commerce).

Event of Default	The Borrower will be given five business days to remedy an event of default for failure to pay an amount owing to Commerce and 10 business days to remedy any other default (other than insolvency type defaults). An event of default will occur where: • the Borrower fails to pay any amounts owing under the Facility as and when due; • the Borrower fails to perform or observe any obligation under the Facility and does not remedy the failure within five business days after receipt of a notice; • any warranty, representation, or statement by the Borrower is or becomes false, misleading, or incorrect when made or regarded as made under the Loan Documents; and • there is a material adverse change in the Borrower's assets, liabilities, financial position, or prospects.
Representations and Warranties	It is acknowledged that Commerce may require additional warranties to be provided by the Borrower. The Borrower represents and warrants upon execution of the Loan Documents that: • it has consulted, and as appropriate obtained the review and opinions of, its legal counsel and accountants. • it has full power and authority to enter into and perform its obligations contemplated by Term Sheet and has taken all necessary action to authorize the execution, delivery, and performance thereof; • no event has occurred which constitutes an Event of Default; • it is solvent and able to pay its debts as and when they become due and payable; • all information furnished by the Borrower to the Lender in connection with this Term Sheet is true and correct in all respects and there are no other facts or circumstances of which it is aware that would render any such information misleading; • it has not violated any law or agreements which may have a material adverse effect on the business or financial condition of the Borrower; and • it has disclosed to Commerce any information which might reasonably be expected to adversely influence the decision of a lender to make a general borrowings facility available to the Borrower on terms and conditions similar to those contained in this Term Sheet. • it will, in good faith, take all steps necessary to facilitate the execution the Loan Documents, and the transactions contemplated thereby.
Indemnity	The Borrower will indemnify Commerce for all loss that it suffers occurring as a result of an Event of Default or Commerce exercising its powers as a result of an Event of Default.
Costs and Expenses	Except as otherwise set forth herein, each Party bears its own costs and fees, including attorney's fees.
Confidentiality	This Term Sheet is a public record, subject to the public record disclosure requirements of Article I, Section 24 of the Florida Constitution and Chapter 119 of the Florida Statutes.
Formal Documents	Commerce will prepare the Loan Documents incorporating the provisions set out above and other terms customarily found in a loan facility of this type.