



Term Sheet

This Term Sheet dated March 25, 2020, from JPMorgan Chase Bank, NA (the “Bank”) is provided to the City of Fort Pierce, Florida (the “City”), regarding the \$13,173,785.90 Non-Bank Qualified Tax-Exempt Capital Improvement Revenue Refunding Note, Series 2020, on the terms and conditions set forth herein.

FORM OF NOTE:

The Bank will require a single term Note in the full par amount of \$13,173,785.90, with sinking fund payments equivalent to the stated maturity schedule indicated in Revised Placement memorandum issued by B.C. Ziegler and Company in its role as Municipal Advisor to the City. The Bank shall not require the Note to be rated by any rating agency. The Bank: (a) is a bank, 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, or a consortium of such entities; and (b) has the present intent to hold the Note to maturity or earlier redemption or mandatory tender.

REPAYMENT TERMS:

Annual payments of principal on September 1, commencing September 1, 2020; semi-annual payments of accrued interest on March 1 and September 1, commencing September 1, 2020.

<u>Pymt date</u>	<u>Principal</u>
9/1/2020	\$ 372,608.30
9/1/2021	\$ 1,430,727.30
9/1/2022	\$ 1,437,100.70
9/1/2023	\$ 1,463,377.20
9/1/2024	\$ 1,259,506.50
9/1/2025	\$ 1,262,357.30
9/1/2026	\$ 1,269,012.70
9/1/2027	\$ 1,286,184.80
9/1/2028	\$ 1,292,547.90
9/1/2029	\$ 1,320,231.30
9/1/2030	\$ 775,150.80
9/1/2031	\$ 4,981.50

INTEREST RATE:

The rate provided below is provided exclusively for indicative purposes, based upon market conditions as of March 25, 2020. The actual rate of interest borne by the Note will be set by mutual agreement between Bank and the City upon receipt of signed acceptance (see below):

The interest rate will be fixed upon acceptance. 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.

1.264% fixed. No optional redemption.

PURPOSE: The proceeds of the Notes will be used to currently refund the City's Series 2014 Note, defease the Series 2016 Notes and Series 2018 Notes, and pay costs of issuance related to the Notes.

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

DEBT SERVICE RESERVE: None.

COVERAGE REQUIREMENT: The Documentation will include a coverage requirement pursuant to which the City shall a coverage for Note and all of the City's outstanding covenant to budget and appropriate debt (collectively, "Parity Debt") of 2.00x the maximum annual debt service on the Parity Debt. The City will exhibit its Notes Payable Coverage Schedule for all Parity Debt annually within the Statistical Section of its annual Comprehensive Annual Financial Report (the "CAFR").

EVENT OF DEFAULT: In an event of default, the City acknowledges and agrees that the Bank may seek to exercise all rights and remedies available to it under law or equity in the State of Florida, including without limitation, the right to sue the City for repayment of the amount of the Note.

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

LEGAL OPINION: Purchase of the Note will be subject to a satisfactory opinion of Bond Counsel as to (i) the City's obligations under the Note and the Documentation being legal, valid, binding and enforceable against the City (ii) the exemption of interest on the Note from Federal income tax and state taxes, and (iii) designation of the Note as a "qualified tax-exempt obligation" under Section 265(b) of the Internal Revenue Code of 1986, as amended. Bond Counsel's opinion must be addressed to Bank or permit reliance by Bank.

BANK ELIGIBILITY: The Bank’s bid assumes the Note will be issued as a Non-Bank qualified tax-exempt obligation.

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

DOCUMENTATION: Documentation shall be prepared by the City’s Bond Counsel, Akerman LLP, at the City’s expense. Funding will occur upon receipt of an executed original of the Note and conformed executed copies of the Documentation, in form and substance acceptable to Bank and its counsel. The Documentation shall include among other things, the following special covenants: (i) the City will provide the Bank with a copy of its annual budget for each fiscal year during the term of the 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 City but not later than 30 days after such approval; and (ii) the City will provide to the Bank the operating data and financial information which the City 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 City and its affairs as the Bank may reasonably request.

BANK COUNSEL FEES: \$7,500.00 to be paid by the City at closing. The Bank will engage the firm of Greenberg Traurig, P.A., Jean Wilson and Ashton Bligh.

FINANCIAL REPORTING: Unless available electronically on a public website, the City’s CAFR 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 City’s fiscal year, commencing with fiscal year ended September 30, 2019.

DETERMINATION OF TAXABILITY: If the interest payable on the Note becomes taxable due to any act or omission of the City, the interest rate payable on the Note will increase retroactively from the date on which interest on the Note is first includable in gross income of the owner thereof (which may be as early as the issuance date) to a taxable equivalent rate and pay the Bank penalties on overdue interest and additions to tax, if any.

MUNICIPAL ADVISOR DISCLAIMER:

The City acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the City 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 City, (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 City 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 City on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the City, and (vi) the City 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 City on a national public bond market repository provided that certain information be redacted by the City 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.

MISCELLANEOUS:

This indicative rate must be accepted on or before the close of business on March 26, 2020, with funding and closing on or before May 1, 2020. 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.

Any change (whether material or not) in the aggregate amount to be financed or a material change in the financial condition or prospects of the City may constitute a re-pricing event and the Bank may, at its option and in its sole discretion, terminate this Proposal and/or the interest rate may be adjusted

Submitted by:

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ACCEPTED BY: (for the) City of Fort Pierce, Florida

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.