



City of Ocala, Florida

Term Sheet

December 14, 2021

Truist Bank (“Bank”), on behalf of itself and its designated affiliate (the “Lender”), is pleased to submit the following summary of terms and conditions for discussion purposes only. The term sheet is non-binding and does not represent a commitment to lend. The term sheet is intended only as an outline of certain material terms of the requested financing and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in any definitive documentation for the requested financing.

Borrower:	City of Ocala, Florida
Facility/Purpose/ Description:	Taxable Variable / Fixed Rate Draw Down Note (the “Loan” or “Series 2022 Bond”). Proceeds of the Bond will be used to (i) fund a portion funds associated with fire service fee reimbursements to claimants, and (ii) pay the related costs of issuance associated with the Bond.
Amount:	Up to \$60,000,000
Funding:	The Note may be drawn down as needed to fund reimbursements to claimants from the Closing Date until July 1, 2022 at which point any remaining availability on the Note will expire.
Advances:	Advances are limited to four per month with no minimum dollar amount for the initial Advance and a minimum dollar amount per Advance of \$500,000 thereafter.
Repayment:	After an initial Interest payment on July 2, 2022, interest shall be payable semi-annually due April 1st and October 1st, commencing on October 1, 2022. Principal shall be payable annually on October 1st, commencing October 1, 2023 with a final Maturity Date of October 1, 2038, based on mutually agreed upon amortization schedule between Lender and Borrower as shown below

	<table><tr><th>Period Ending</th><th>Principal</th></tr><tr><td>10/1/2022</td><td></td></tr><tr><td>10/1/2023</td><td>3,035,000</td></tr><tr><td>10/1/2024</td><td>3,120,000</td></tr><tr><td>10/1/2025</td><td>3,205,000</td></tr><tr><td>10/1/2026</td><td>3,295,000</td></tr><tr><td>10/1/2027</td><td>3,385,000</td></tr><tr><td>10/1/2028</td><td>3,475,000</td></tr><tr><td>10/1/2029</td><td>3,575,000</td></tr><tr><td>10/1/2030</td><td>3,670,000</td></tr><tr><td>10/1/2031</td><td>3,770,000</td></tr><tr><td>10/1/2032</td><td>3,875,000</td></tr><tr><td>10/1/2033</td><td>3,980,000</td></tr><tr><td>10/1/2034</td><td>4,090,000</td></tr><tr><td>10/1/2035</td><td>4,205,000</td></tr><tr><td>10/1/2036</td><td>4,320,000</td></tr><tr><td>10/1/2037</td><td>4,440,000</td></tr><tr><td>10/1/2038</td><td>4,560,000</td></tr><tr><td></td><td><u>60,000,000</u></td></tr></table>	Period Ending	Principal	10/1/2022		10/1/2023	3,035,000	10/1/2024	3,120,000	10/1/2025	3,205,000	10/1/2026	3,295,000	10/1/2027	3,385,000	10/1/2028	3,475,000	10/1/2029	3,575,000	10/1/2030	3,670,000	10/1/2031	3,770,000	10/1/2032	3,875,000	10/1/2033	3,980,000	10/1/2034	4,090,000	10/1/2035	4,205,000	10/1/2036	4,320,000	10/1/2037	4,440,000	10/1/2038	4,560,000		<u>60,000,000</u>
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Interest Rate:	<table><tr><th>Variable Rate Period*</th><th>Prepayment</th><th>Interest Rate</th></tr><tr><td>From Loan Closing until July 1, 2022</td><td>Prepay without penalty at any time</td><td>One-Month Term SOFR + 107 bps</td></tr><tr><th>Fixed Rate Period**</th><th>Prepayment</th><th>Interest Rate</th></tr><tr><td>Option 1: From July 2, 2022 until Maturity</td><td>Standard "Make Whole" prepayment provision</td><td>Indicative rate of 2.49% as of 12/13/2021</td></tr><tr><td>Option 2: From July 2, 2022 until Maturity</td><td>Prepay without penalty on or after 10/1/2027; add 35 bps to Option 1 rate</td><td>Indicative rate of 2.84% as of 12/13/2021</td></tr><tr><td>Option 3: From July 2, 2022 until Maturity</td><td>Prepay without penalty on or after 10/1/2032; add 6 bps to Option 1 rate</td><td>Indicative rate of 2.55% as of 12/13/2021</td></tr><tr><td>Option 4: From July 2, 2022 until Maturity</td><td>Prepay without penalty at any time; add 60 bps to Option 1 rate</td><td>Indicative rate of 3.09% as of 12/13/2021</td></tr></table>	Variable Rate Period*	Prepayment	Interest Rate	From Loan Closing until July 1, 2022	Prepay without penalty at any time	One-Month Term SOFR + 107 bps	Fixed Rate Period**	Prepayment	Interest Rate	Option 1: From July 2, 2022 until Maturity	Standard "Make Whole" prepayment provision	Indicative rate of 2.49% as of 12/13/2021	Option 2: From July 2, 2022 until Maturity	Prepay without penalty on or after 10/1/2027; add 35 bps to Option 1 rate	Indicative rate of 2.84% as of 12/13/2021	Option 3: From July 2, 2022 until Maturity	Prepay without penalty on or after 10/1/2032; add 6 bps to Option 1 rate	Indicative rate of 2.55% as of 12/13/2021	Option 4: From July 2, 2022 until Maturity	Prepay without penalty at any time; add 60 bps to Option 1 rate	Indicative rate of 3.09% as of 12/13/2021																	
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Accrual basis: Act/360 converting to 30/360 on the Conversion Date																																							

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	<p>*The Loan will be priced at a variable rate from the Closing Date until July 1, 2022. There will be no prepayment penalty during the Variable Rate Period.</p> <p>**On July 2, 2022 (the "Conversion Date") the variable rate shall convert to a fixed rate. The interest rate on the note will be based on Bloomberg's USD Swap Rate. "Swap Rate" shall mean the rate for U.S. Dollar interest rate swaps with a maturity of <u>15 years</u>, expressed as a percentage, as reported by Bloomberg for US Dollar Swaps as of 3 business days prior to <u>the Conversion Date</u>. Should Bloomberg no longer release rates for fixed-rate payers in U.S. Dollar interest rate swaps, Bank may substitute the Bloomberg index for rates for fixed-payers in U.S. Dollar interest rate swaps with another similar index as determined by Bank.</p> <p>The formula to calculate the above Option 1 Fixed Rate = 15 year Swap rate + 0.8362%.</p> <p>Fixed Rate Period Prepayment:</p> <p>Option 1: The Borrower will pay to the Lender prepayment compensation in connection with any prepayment of the Loan based on the Lender's standard break-funding terms for fixed rate loans. Any partial prepayment shall be applied as determined by Lender in its sole discretion.</p> <p>Option 2: Borrower may prepay the Loan in whole or in part at any time on or after October 1, 2027 without penalty for the above Option 1 quoted rate plus a 35 basis point premium added to the formula calculated interest rate. Indicative rate as of 12/13/2021 of 2.84%.</p> <p>Option 3: Borrower may prepay the Loan in whole or in part at any time on or after October 1, 2032 without penalty for the above Option 1 quoted rate plus a 6 basis point premium added to the formula calculated interest rate. Indicative rate as of 12/13/2021 of 2.55%.</p> <p>Option 4: Borrower may prepay the Loan in whole or in part at any time without penalty for the Option 1 quoted rate plus a 60 basis point premium added to the formula calculated interest rate. Indicative rate as of 12/13/2021 of 3.09%.</p> <p>Rate Lock: Up to 90 days prior to the Conversion Date, Borrower will have the opportunity to lock the interest rate for the Fixed Rate Period with pricing for the Rate Lock to be determined.</p>
Security:	The Series 2022 Bond will be secured by a covenant to budget and appropriate from legally available Non-Ad Valorem Revenues.
Documentation:	All documentation shall appropriately structure the financing according to Federal and State statutes, subject to acceptable review by Lender and its counsel. The bond will not be presented for payment unless required by documentation.
Covenants:	<ul style="list-style-type: none"> Usual and customary covenants, reporting requirements, representations and warranties and events of default, for transactions of this type, including, without limitation, the following financial covenants and reporting requirements: Annual Financial Statements within 270 days of fiscal year end

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	<ul style="list-style-type: none"> • Annual budget within 30 days of adoption • The anti-dilution test will be calculated based upon a formula which is mutually agreeable between Lender and Borrower to be determined prior to closing. • Issuer will covenant to not incur any indebtedness payable from Non-Ad Valorem Revenues unless the City certifies that: <ul style="list-style-type: none"> a) Non-Ad Valorem Revenues for the preceding Fiscal Year were at least 2.00 times maximum annual debt service of all indebtedness of the Issuer payable from such sources; and b) Annual Net Non-Ad Valorem Revenues Available For Debt Service for the two prior Fiscal Years equals at least 1.50 times the maximum annual debt service on all debt payable from such Non-Ad Valorem Revenues, including the maximum annual debt service on the debt proposed to be issued. • Lender to require a negative pledge on Non-Ad Valorem fire assessment fees. • The provisions stated above cannot be amended without the written consent of the Lender. • If acceleration is not a remedy the restated default rate shall be increased to the lesser of 18% or the maximum allowed rate by law, and the documents shall contain a Most Favored Nation clause assuring Lender that if other bondholders have acceleration rights Lender will have the same acceleration rights.
Conditions Precedent and Other Terms:	<ol style="list-style-type: none"> 1. <u>Borrower's Counsel Opinion:</u> An opinion of Borrower's counsel covering matters customary to transactions such as this and in all respects acceptable to the Bank, the Lender and its counsel. 2. <u>Other Items:</u> The Bank and the Lender shall have received such other documents, instruments, approvals or opinions as may be reasonably requested.
Lender's Legal Counsel	The Lender's legal counsel will be Michael Wiener of Holland & Knight. Estimated fees for the closing of the Loan will be approximately \$15,000 not to exceed \$17,500 and shall be paid by the Borrower, whether or not the Loan described herein is closed.
Governing Law & Jurisdiction:	State of FL
Municipal Advisor Disclosure:	The Bank is a regulated bank and makes direct purchase loans to Municipal Entities and Obligated Persons as defined under the Municipal Advisor Rule, and in this term sheet is solely providing information regarding the terms under which it would make such a purchase for its own account. The Bank is not recommending an action or providing any advice to the Borrower and is not acting as a municipal advisor or financial advisor. The Bank is not serving in a fiduciary capacity pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information and material contained in this communication. The Bank is acting in its own interest. Before acting on the information or material contained herein, the Borrower should seek the advice of an IRMA and any other professional advisors which it

	deems appropriate for the Loan described herein, especially with respect to any legal, regulatory, tax or accounting treatment.
Patriot Act:	Pursuant to the requirements of the Patriot Act, the Bank and its affiliates are required to obtain, verify and record information that identifies loan obligors, which information includes the name, address, tax identification number and other information regarding obligors that will allow Lender to identify obligors in accordance with the Patriot Act, and Lender is hereby so authorized. This notice is given in accordance with the requirements of the Patriot Act and is effective for the Bank and its affiliates.
Expiration Date:	This Term Sheet shall expire on January 24, 2022 unless a formal commitment letter has been issued prior to such date.