



*Synovus named among Most Reputable Banks
by Reputation Institute*

January 15, 2020

City of Venice
Linda Senne, Director
Finance Department
2nd Floor, City Hall
401 West Venice Ave
Venice, FL 34285

RE: Recreation Capital Improvement General Obligation Refunding Bond, Series 2020

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 County.

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.

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,

LeeAnn Kirwin
Assistant Director, Government Banking Solutions
Synovus Bank
2325 Vanderbilt Beach Road
Naples, FL 34109
239-552-1879
leeannkirwin@synovus.com

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

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Linda Senne, Director
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Venice, FL 34285

RE: Recreation Capital Improvement General Obligation Refunding Bond, Series 2020

Synovus Bank ("Bank") is pleased to consider the Direct Purchase of the Series 2020 Bond as described below and issued by the City of Venice, Florida (the "City"), the basic terms and conditions of which are set forth below.

- Borrower:* City of Venice, Florida (the "City")
- Facility:* Bank Qualified Tax-Exempt Term Note
- Amount:* \$4,000,000 (not to exceed)
- Purpose:* The proceeds of the Note will be used by the City to finance the full refunding of the 2014 General Obligation Refunding Note along with paying the related costs of issuance.
- Term:* The term of the Note will be approximately 7 years from the date of the closing, fully amortizing with a final stated maturity of February 1, 2027.
- Collateral:* The Recreation Capital Improvement General Obligation Refunding Bond, Series 2020 will be payable from, and secured by, a senior lien payable from the full faith, credit and taxing authority of the City of Venice.
- Repayment:* Semi-Annual interest payments due on the 1st of each February and August, commencing August 1, 2020. Annual principal payments due on the 1st of each February, commencing February 1, 2021. Interest will be calculated utilizing a 360-day year consisting of twelve, 30-day months.
- Interest Rate:* The interest rate would be fixed at 2.09 percent. This rate will be held until February 15, 2020. In the event the closing is delayed past this date, the rate will be reset 3 days prior to closing and would be indexed to 79 percent of the prevailing Five (5) Year Treasury Constant Maturity plus 76 basis points with a floor of 2.09 percent. The Treasury Constant Maturity will be as published by the Federal Reserve (<http://www.federalreserve.gov/releases/h15/update/>).
- Pre-payment:* The City may prepay and redeem the Note, in whole or part, at any time or from time to time, without penalty or premium, by paying to the Bank all or a part of the principal amount of the Note to be repaid, together with the unpaid interest accrued on the

amount of principal so prepaid to the date of such prepayment. Each prepayment and redemption of such Note shall be made on such date and in such principal amount as shall be specified by the City in a written notice delivered to the Bank not less than ten days prior thereto specifying the principal amount to be prepaid and the date of such prepayment.

Fees: The City is responsible for all legal and out of pocket expenses associated with the proposed financings. The Bank will be represented by Greenspoon Marder Law, whose fee will be fixed at \$5,000.

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

- 1) *Payment* – the City shall pay the principal of and interest on the proposed Loan at the time and place and in the manner provided in the Note.
- 2) *Notice of Defaults* – the City 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 City of all relevant facts and the action being taken by the City with respect thereto.
- 3) *Records* – the City agrees that any and all records of the City related to the Line shall be open to inspection by the Bank, or its representatives at all reasonable times at the office of the City.
- 4) *Maintain Existence* – The City will take all reasonable legal action within its control in order to maintain its existence as a municipality of the State, and shall not voluntarily dissolve.
- 5) *Notice of Liabilities* – the City shall promptly inform the Bank in writing of any actual or potential contingent liabilities or pending or threatened litigation of any amount that could reasonably be expected to have a material and adverse effect upon the financial condition of the City or upon the ability of the City to perform its obligation under the proposed Loan.
- 6) *Insurance* – The City shall maintain such liability, casualty, and other insurance as is reasonable and prudent for a similarly situated City and shall upon request of the Bank, provide evidence of such coverage to the Bank.
- 7) *Comply with Laws* – the City 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 City shall be kept in which complete and correct entries shall be made, in accordance with generally accepted accounting principles.

*Financial
Reporting*

Audited Financial Statements - The City 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, 2019, 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.

Annual Budget. The City shall adopt an annual budget as required by law. The City 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.

Events of Default:

An "Event of Default" shall be deemed to have occurred under this Agreement if:

1. the City 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 City shall default in the performance of or compliance with any term or covenant contained in the Loan Documents, which default, or noncompliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the City 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 City in any Loan Document shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or
4. the City 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 City is adjudged insolvent by a court of competent jurisdiction, or it is adjudged bankrupt on a petition in bankruptcy filed by or against the City, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the City, a receiver or trustee of the City 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 City 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. the City shall default in the due and punctual payment or performance of covenants under any obligation for the payment of money to the Bank or any other subsidiary or affiliate of the Bank; or
8. failure by the City 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 over the Bank's Prime Rate of interest or the maximum legal rate at the time of the Monetary Default. The default rate of interest shall only apply for interest during the period between when the Monetary Default occurs and when it is cured by the City.

Interest Rate Adjustments:

In the event the interest on the Loans become subject to federal income tax **due to actions or inactions of the City** and upon final judgement of the IRS, the interest rate will convert to the taxable rate. The taxable rate will be calculated by dividing the current tax-exempt rate by 1 minus the maximum federal corporate income tax rate at the time applicable to the Bank. In addition, the City 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 City's knowledge at the time of closing.
- b) On the closing date the City shall be in compliance with all the terms and provisions set forth in the Loan 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 execution of the Notes by the Bank): (i) the opinion of counsel to the City and the City's bond counsel, regarding the due authorization, execution, delivery, validity and enforceability of the Agreement and the Note, the City'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 City and to the effect that the Note is excluded from gross income for federal income tax purposes and is exempt from State excise tax on documents, 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 City.
- 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:*

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

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 listed below.

Respectfully,



LeeAnn Kirwin
Asst. Director, Government Banking Solutions
Synovus Bank
2325 Vanderbilt Beach Road
Naples, FL 34109
(239) 552-1879
leeannkirwin@synovus.com



Jim Mitchell
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 _____, 2020.

BORROWER: City of Venice, Florida

Signature: _____

Name: _____

Title: _____



City of Venice

Recreation Capital Improvement General Obligation Refunding Bond, Series 2020 Required Lender Client References

City of Captiva

Steven Chaipel, CPA, CPFO, Finance Director
800 Dunlop Rd, Sanibel, FL 33957-4096
P: 239-472-9615 E: Steven.Chaipel@mysanibel.com

\$5,295,000.00 General Obligation Refunding Bonds

Lehigh Acres Fire Department

Anita Kressel, Finance Manger
636 Thomas Sherwin Ave. S Lehigh Acres, FL 33974
P:239-303-5310 E: anita.kressel@lehighfd.com

\$1,084,000 Bank-Qualified Tax Exempt Loan for Fire Trucks
\$600,000 Bank Qualified Tax Exempt Loan for Bunker Gear and Staff Vehicles
\$8,500,000 Bank Qualified Tax Exempt Loan for Fire Station Construction

Lee County, Florida

Rose Hardt, Senior Accountant
2115 2nd Street 3rd Floor, Fort Myers, FL 33901
P: 239-533-2181 E: RHardt@LeeClerk.Org

\$3,700,000 Tax-Exempt Non-Bank Qualified Non-Revolving Line of Credit to fund Various MSBU Projects