

AGENDA	
Section	New Business
Item No.	IV.C

Meeting Date
9/15/15



AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	AUTHORIZE ENTERING INTO AN INTEREST RATE LOCK AGREEMENT WITH BANK OF AMERICA, N.A. TO LOCK IN A FIXED INTEREST RATE ON THE COUNTY'S ISSUANCE OF CONSTITUTIONAL FUEL TAX REFUNDING REVENUE BOND, SERIES 2015.
DEPT/OFFICE:	COUNTY MANAGERS OFFICE

Requested Action:

It is requested that the Board authorize entering into an interest rate lock agreement with Bank of America, N.A. (through itself or a wholly owned subsidiary) to lock in a fixed interest rate on the County's issuance of Constitutional Fuel Tax Refunding Revenue Bond, Series 2015 that will be issued to refund all of the County's outstanding Constitutional Fuel Tax Revenue Refunding Bonds, Series 2005 for debt service savings.

Summary Explanation & Background:

Due to the low interest rate environment, there currently exists an opportunity to refund the Constitutional Fuel Tax Revenue Refunding Bonds, Series 2005 to achieve a significant net present value debt service saving which would reduce the annual debt payments on the bonds. The refundable bonds are outstanding in the par amount of \$13,855,000 with interest rates ranging from 4.00% to 4.125% and have a final maturity of August 1, 2020. The bonds are secured by the constitutional fuel tax received by the County.

At its' March 31, 2015 meeting, the County Commission authorized County staff and the financing team to undertake an RFP process to identify the lending institution that could provide the lowest cost option for refunding the 2005 Bonds. The County received 5 responses to the RFP with Bank of America, N.A. providing the lowest indicative interest rate (1.38%). In order to lock in the fixed rate, the County must enter into an interest rate lock agreement. The final fixed interest rate will be based on market conditions at the time the interest rate lock agreement is executed. Based on the 1.38% indicative interest rate, the County's Financial Advisor is estimating the County would achieve \$900,000 of net present value debt service savings or 6.50% of the refunded bonds par amount. There would be no extension of maturity and no new money proceeds generated by the refunding. Assuming the County approves the rate lock agreement, the remaining loan documents will be brought back to the Commission's September 29 meeting for approval. If the County executes the interest rate lock agreement and decides not to close the transaction, the County could be subject to a breakage penalty. The amount of such breakage penalty will vary depending on interest rate movements between execution of the rate lock agreement and date of breakage event. For example if interest rates decrease 10 basis points (0.10%), the estimated breakage fee would be \$135,000.

Fiscal Impact:

The refunding is expected to generate \$900,000 of net present value debt service savings or 6.50% of the refunded bonds par amount. This equates to approximately \$190,000 annually through 2020. This level of savings is well in excess of the minimum target set in the Board's Budget & Financial Policy for refundings which is savings in excess of 3.0% of the refunded bonds par amount.

Clerk to the Board instruction:

Exhibits Attached:

Contract /Agreement (If attached):		Reviewed by County Attorney	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager		Assistant County Manager				Department Director / Extension		
Stockton Whitten		Assistant County Manager						



Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972

September 16, 2015

MEMORANDUM

TO: Stockton Whitten, County Manager

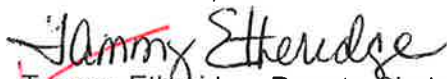
RE: Item IV.C., Authorize Entering into an Interest Rate Lock Agreement with Bank of America, Constitutional Fuel Tax Refunding Revenue Bond, Series 2015

The Board of County Commissioners, in special session on September 15, 2015, adopted Resolution No. 15-166, approving the form of an Interest Rate Lock Agreement with Bank of America, and authorized the County Manager to Execute and Deliver said Agreement. Enclosed is a fully-executed Resolution, Interest Lock Rate Agreement, and a certified copy of the Response to Bank Loan Request for Proposals.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK


Tammy Etheridge, Deputy Clerk

/af

cc: Finance

Encls. (3)

*Sally to ✓ Received
Courier the 9/23
original resolution
for this Item.
9/22/15 te*

RESOLUTION NO. 15- 166

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA ACCEPTING THE PROPOSAL OF BANK OF AMERICA, N.A. TO PURCHASE THE COUNTY'S BREVARD COUNTY, FLORIDA CONSTITUTIONAL FUEL TAX REFUNDING REVENUE BOND, SERIES 2015; APPROVING THE FORM OF AN INTEREST RATE LOCK AGREEMENT AND AUTHORIZING THE COUNTY MANAGER TO EXECUTE AND DELIVER SUCH AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA that:

SECTION 1. FINDINGS. It is hereby found and determined that:

A. Brevard County, Florida (the "County") recently solicited bids from various financial institutions to purchase from the County its Brevard County, Florida Constitutional Fuel Tax Refunding Revenue Bond, Series 2015 (the "Series 2015 Bond") to allow for the refunding of all the County's outstanding Constitutional Fuel Tax Revenue Refunding Bonds, Series 2005, in order to achieve debt service savings for the County.

B. Bank of America, N.A. submitted the conforming bid to purchase the Series 2015 Bond through itself or its wholly owned subsidiary, Specialized Lending, LLC (the "Purchaser") that provides the County with the most net present value debt service savings.

C. It is in the best interest of the County to accept the Purchaser's proposal and to authorize the execution and delivery of an interest rate lock agreement (the "Rate Lock Agreement") in order to establish a fixed interest rate with respect to the Series 2015 Bond through the date of issuance of the Series 2015 Bond.

SECTION 2. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION. This Resolution is adopted pursuant to the Constitution of the State of Florida and all applicable laws of the State of Florida, including but not limited to, Chapter 125, Florida Statutes.

SECTION 3. ACCEPTANCE OF THE PURCHASER'S PROPOSAL. The Purchaser's proposal is attached hereto as Exhibit A. The Board of County Commissioners (the "Board") of the County hereby accepts such proposal and awards the

sale of the Series 2015 Bond to the Purchaser pursuant to the terms and provision set forth in such proposal and in Resolution No. 2000-010, adopted by the Board on January 11, 2000, as supplemented (the "Bond Resolution").

SECTION 4. APPROVAL OF RATE LOCK AGREEMENT. The County hereby authorizes and directs the County Manager to execute, and the Clerk to attest, if necessary, the Rate Lock Agreement and to deliver the Rate Lock Agreement to the Purchaser or any affiliate of the Purchaser. The Rate Lock Agreement shall be in substantially the form attached hereto as Exhibit B with such changes, amendments, modifications, omissions and additions as may be approved by the County Manager, upon the advice of the County's financial advisor and bond counsel. Execution by the County Manager of the Rate Lock Agreement shall be deemed to be conclusive evidence of approval of such changes. If the County is obligated to pay any breakage fee pursuant to the Rate Lock Agreement, such obligation shall be secured by and payable from a pledge of and lien on the Pledged Funds (as defined in the Bond Resolution); provided, however, such pledge of and lien on the Pledged Funds shall be junior and subordinate in all respects to the pledge and lien granted to the holders of the Bonds (as defined in the Bond Resolution).

SECTION 5. SEVERABILITY. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

SECTION 6. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.


This Resolution passed and adopted this 15th day of September, 2015.

BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA,

(SEAL)

By: 
Robin Fisher
Chairman

ATTEST:



Scott Ellis, Clerk of the Circuit Court
and Ex-Officio Clerk to the Board of
County Commissioners of Brevard
County, Florida

Approved by the Board: 9/15/15

Rate Lock Agreement

1. Brevard County, Florida, a political subdivision of the State of Florida (the "County") has requested Specialized Lending, LLC, a Delaware limited liability company (the "Lender") to make a loan (the "Loan") to the County in the principal amount \$_____.00 (the "Amount"). The Loan will be made on _____, 2015 (the "Closing Date"), will bear interest calculated on the basis of a 360 day year consisting of twelve thirty day months, payable in arrears on February 1, 2016 and each February 1 and August 1 thereafter, will be repaid in installments of principal due on August 1 of the years and in the amounts set forth on Exhibit A attached hereto, and will mature on August 1, 2020 (the "Maturity Date"). The Loan will be issued as an "Additional Bond" pursuant to Resolution 2000-010 (as amended and supplemented, the "Bond Resolution") of the County, adopted January 11, 2000, and shall have such other terms and conditions as set forth in the Summary of Terms and Conditions of the Lender, dated August 25, 2015 (the "Terms Sheet") attached hereto as Exhibit B.

2. The County desires to obtain the agreement of the Lender that the Loan will bear an interest rate locked in by the Lender at this time. In response to the County's request, the Lender has agreed to lock in a fixed rate (the "Rate") for the Loan of ____% per annum.

3. The County understands that, if the Loan is not funded in the Amount and by 5:00 p.m. Eastern Time on the Closing Date (such funding and delivery being referred to herein as the "Closing"), the Lender may suffer breakage costs and other losses, expenses and liabilities, including lost revenue and lost profits, as a result of having locked in the interest rate in advance. Accordingly, in consideration of the Lender's agreement to lock in the Rate, the County agrees to pay to the Lender a breakage fee (the "Breakage Fee") as provided herein in the event the Closing does not occur on the Closing Date for any reason other than the Lender's refusal to fund the Loan pursuant to and in breach of the terms and conditions set forth in the Terms Sheet. Once the Closing occurs on the Closing Date, this Agreement will terminate.

4. The Breakage Fee will be determined on the assumption that the Loan fully funded on the Closing Date and was then immediately prepaid by the County in full, and as follows:

(i) The Lender will first determine the amount of interest which would have accrued as of each scheduled payment date for each Prepaid Installment (hereinafter defined) had it remained outstanding from the Closing Date until the Original Payment Date (hereinafter defined) using an interest rate equal to ____% (which the parties agree is the Swap Rate (hereinafter defined) as of September __, 2015 plus 0.25%, and which is also the Rate minus 0.02%).

(ii) The Lender will then subtract from each interest amount determined in (i), above, the amount of interest which would have accrued on each respective Prepaid Installment as of each scheduled payment date if it were reinvested from Closing Date through the Original Payment Date, using the Swap Rate as of the Closing Date.

(iii) If (i) minus (ii) for a Prepaid Installment is greater than zero, the Lender will discount the periodic differences to the Closing Date using the Swap Rate as the discount rate. The sum of the discounted periodic differences for each Prepaid Installment will be the Breakage Fee.

The following definitions will apply to the calculation of the Breakage Fee:

(i) "Original Payment Date" means the dates on which principal is required to be paid as set

forth on Exhibit A.

(ii) "Prepaid Installment" means any amount of principal that is paid prior to its Original Payment Date.

(iii) "Swap Rate" means the fixed rate for an interest rate swap with a floating rate of three month Libor and having a term of 37 months as reported on a commercially reasonable source selected by the Lender at or most recently prior to 5:00 p.m. Eastern Time on the applicable date. If no term exactly corresponding to 37 months is reported, the Swap Rate will be determined by linear interpolation between the reported terms that are the closest shorter and longer terms reported.

5. The County agrees that the Breakage Fee represents a reasonable estimate of the breakage costs and other losses, expenses and liabilities, including lost revenue and lost profits, that the Lender may suffer if the Closing does not occur in the Amount on the Closing Date. The County agrees that the Lender's willingness to lock in the Rate in advance of the Closing Date is sufficient consideration for the County's agreement to pay the Breakage Fee. Any Breakage Fee will be due and payable in full on the day immediately following the Closing Date.

6. This Agreement shall be governed by Florida law. Any amount due under this Agreement which is not paid upon demand by the Lender shall bear interest until paid at the Rate plus five percentage points. The parties hereby waive trial by jury in any dispute between the parties concerning this Agreement. The prevailing party in any litigation (including any appeal) will be entitled to its reasonable attorneys' fees, including the allocated cost of in-house counsel.

7. To secure the obligations of the County to the Lender hereunder, the County grants to the Lender a lien upon and security interest in the Constitutional Fuel Tax Revenues, as defined in the Bond Resolution, provided that such lien and pledge is subordinate in all respects to the lien on and pledge of Pledged Funds given to secure Bonds as such terms are defined in and as provided in the Bond Resolution.

8. The addresses of the Lender and County are set forth below.

Dated September 16, 2015.

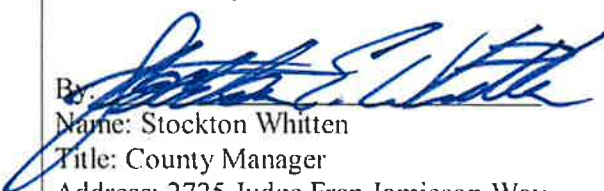
Specialized Lending, LLC	Brevard County, Florida
By: _____	By: 
Name: Eric Kosmin	Name: Stockton Whitten
Title: Senior Vice President	Title: County Manager
Address: 150 N. College St NC1-028-17-06 Charlotte, NC 28255	Address: 2725 Judge Fran Jamieson Way Viera, Florida 32940

EXHIBIT A TO RATE LOCK AGREEMENT

BOND PRICING

Brevard County, Florida
 Constitutional Fuel Tax Refunding Revenue Bond, Series 2015

Final Numbers
 Lender: Specialized Lending, LLC (Bank of America, N.A.)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	08/01/2016	2,275,000	1.430%	1.430%	100.000
	08/01/2017	2,755,000	1.430%	1.430%	100.000
	08/01/2018	2,800,000	1.430%	1.430%	100.000
	08/01/2019	2,840,000	1.430%	1.430%	100.000
	08/01/2020	2,875,000	1.430%	1.430%	100.000
		13,545,000			

Dated Date	10/07/2015	
Delivery Date	10/07/2015	
First Coupon	02/01/2016	
Par Amount	13,545,000.00	
Original Issue Discount		
Production	13,545,000.00	100.000000%
Underwriter's Discount		
Purchase Price	13,545,000.00	100.000000%
Accrued Interest		
Net Proceeds	13,545,000.00	

Brevard County, Florida

Response to Bank Loan Request for Proposals – Constitutional Fuel Tax Refunding Revenue Bond, Series 2015

August 25, 2015

Submitted via Email to:

Stockton Whitten, County Manager: Stockton.Whitten@brevardcounty.us;
Steve Burdett, Finance Director: Steve.Burdett@brevardclerk.us

With copy to:

Financial Advisor: Jay Glover, Managing Director (PFM): gloverj@pfm.com

Bank of America, N.A.
625 North Flagler Dr.
West Palm Beach, Florida 33401

2170 Satellite Blvd., Suite 250
Duluth, Georgia 30097

Bank of America 
Merrill Lynch



August 25, 2015

Mr. Stockton Whitten, County Manager
Mr. Steve Burdett, Finance Director
Brevard County, Florida
2725 Judge Fran Jamieson Way
Viera, Florida 32940

Mr. Jay Glover, Managing Director
Public Financial Management, Inc.
300 South Orange Ave., Suite 1170
Orlando, FL 32801

Dear Messrs. Whitten, Burdett and Glover:

In response to Brevard County, Florida's ("County") Request For Bank Loan Proposals – Constitutional Fuel Tax Refunding Revenue Bond, Series 2015 ("Series 2015 CFT Bonds") distributed via email August 5, 2015 (the "RFP"), Bank of America, N.A., through itself or through its wholly owned subsidiary Specialized Lending, LLC ("Bank" or "BANA"), is pleased to provide this proposal for up to a \$14,000,000 bank direct purchase of the Series 2015 CFT Bonds.

Following this cover letter, we have included a summary response table with the information requested in the RFP and then our typical Summary Terms and Conditions document that further outlines the proposed terms (the "Term Sheet").

This Term Sheet does not represent or imply a commitment to lend by the Bank. Any such commitment shall be subject to the Bank's final credit approval, including completion of a review of all documents which shall be acceptable to the Bank and its counsel at their sole discretion. As of the date of this proposal, the Bank has completed its initial credit underwriting and has received required approvals to provide this Term Sheet.

We truly appreciate the opportunity to provide this financing proposal and potentially expand upon our valued banking relationship with Brevard County, Florida. We look forward to discussing this Term Sheet further with the County and its advisors. Please do not hesitate to call or email us with any questions or comments you might have. Mike Romano, on our Municipal Credit Products team, will serve as your primary contact to discuss this Term Sheet.

Sincerely,



Michael J. Romano
Senior Vice President
Bank of America, N.A.



Eric Kosmin
Senior Vice President
Specialized Lending, LLC



Stephen B. Lenehan
Senior Vice President
Bank of America, N.A.

Series	Constitutional Fuel Tax Refunding Revenue Bond, Series 2015
Bank Contact Information	Bank of America, N.A. Michael J. Romano 2170 Satellite Blvd, Suite 250 Mail Code: GA9-811-02-01 Duluth, Georgia 30097 Office: 770-510-4046 Fax: 404-260-9681 Email: mike.romano@baml.com
Rate Proposal	Indicative Non Bank Qualified Tax Exempt Rate as of Aug 25, 2015: 1.38% The actual rate shall be set up to two business days prior to closing utilizing the 37 month interest rate swap rate, as determined by linear interpolation, plus a credit spread. The actual rate shall be set utilizing the interest rate swap rate as of the day the rate is set. The Bank shall use Bloomberg, or a comparable platform, to establish such a rate. The credit spread is 27 basis points. The indicative rate and pricing formula is based on 1) the transaction as described herein including the close date, term, weighted average maturity of the loan amortization schedule and 2) legal opinions acceptable to the Bank and its counsel regarding the tax exempt status of the loans. The pricing formula will be good through October 15, 2015, so long as written acceptance of this proposal is provided by the expiration of the term sheet. After that date or if the amount or repayment terms change, the formula may be subject to adjustment at Bank's sole discretion. Bank is willing to enter into a rate lock agreement which would fix the interest rate more than two business days prior to closing. Under any such rate lock agreement, a failure of the County to fund the loan (other than as a result of the Bank's wrongful action), would subject the County to a potential breakage penalty calculated in the same manner as if the loan fully funded and was then immediately prepaid in full on the closing date per Bank's make whole provision (form of rate lock agreement will be drafted and sent separately upon request as formula rates used are in part driven by the weighted average maturity of the transaction and the to be confirmed time between expected rate lock date and funding date; calculation methodology will be similar to that for optional prepayments outlined in Exhibit A). Any breakage fee due under any rate lock agreement would be secured by and payable from the Constitutional Fuel Tax pledged.
Rate Adjustment Provision	If there is a Determination of Taxability as it relates to the Series 2015 CFT Bonds, the Bank's standard "gross up" provision will apply, and among other things, the interest rate will increase to the rate 154% of the otherwise applicable rate (assuming highest margin federal tax rate is 35%). The interest rate is also subject to potential adjustment to the Default Rate as remedy for an Event of Default, as outlined on page 7 of the Term Sheet. Note, the Bank's proposed pricing does <u>not</u> include any adjustments or increases for regulatory cost increases, changes in law, rules, capital adequacy or reserve requirements.
Default Rate	Maximum rate allowed by law.
Bank Counsel Fees	Legal fees and related expenses for Bank Counsel are not to exceed \$5,000.
Prepayment Provisions	Prepayments are permitted at any time after August 1, 2016 with five business days prior written notice, subject to a potential prepayment penalty as set forth in Exhibit A.
Financial Reporting:	As soon as available but no later than 270 days after the close of each fiscal year of the County, the County shall provide complete audited financial statements of the County. In addition, Borrower shall provide or cause to be provided to Bank such information respecting the affairs, condition and/or operations, financial or otherwise, of the County as the Bank may from time to time reasonably request (i.e., annual budget, amount of Pledged Funds collected).
Conditions	See attached Summary Terms and Conditions



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**Investment products offered by Investment Banking Affiliates:
Are Not FDIC Insured * May Lose Value * Are Not Bank Guaranteed.**

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Bank of America Corporation and its affiliates (collectively, the "BAC Group") comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and strategic advisory services and other commercial services and products to a wide range of corporations, governments and individuals, domestically and offshore, from which conflicting interests or duties, or a perception thereof, may arise. In the ordinary course of these activities, parts of the BAC Group at any time may invest on a principal basis or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions, for their own accounts or the accounts of customers, in debt, equity or other securities or financial instruments (including derivatives, bank loans or other obligations) of the Company, potential counterparties or any other company that may be involved in a transaction. Products and services that may be referenced in the accompanying materials may be provided through one or more affiliates of Bank of America Corporation. We have adopted policies and guidelines designed to preserve the independence of our research analysts. The BAC Group prohibits employees from, directly or indirectly, offering a favorable research rating or specific price target, or offering to change a rating or price target to a subject company as consideration or inducement for the receipt of business or for compensation and the BAC Group prohibits research analysts from being directly compensated for involvement in investment banking transactions. We are required to obtain, verify and record certain information that identifies the Company, which information includes the name and address of the Company and other information that will allow us to identify the Company in accordance, as applicable, with the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and such other laws, rules and regulations as applicable within and outside the United States.

We do not provide legal, compliance, tax or accounting advice. Accordingly, any statements contained herein as to tax matters were neither written nor intended by us to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed herein is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything that may appear herein or in other materials to the contrary, the Company shall be permitted to disclose the tax treatment and tax structure of a transaction (including any materials, opinions or analyses relating to such tax treatment or tax structure, but without disclosure of identifying information or, except to the extent relating to such tax structure or tax treatment, any nonpublic commercial or financial information) on and after the earliest to occur of the date of (i) public announcement of discussions relating to such transaction, (ii) public announcement of such transaction or (iii) execution of a definitive agreement (with or without conditions) to enter into such transaction; provided, however, that if such transaction is not consummated for any reason, the provisions of this sentence shall cease to apply. Copyright 2014 Bank of America Corporation



Parties to the Transaction

Issuer / Borrower: Brevard County, Florida (also, the "County")

Purchaser / Lender: Bank of America, N.A. or another affiliate of Bank of America Corporation ("BANA" or the "Bank").

The Facility

Facility Brevard County, Florida Constitutional Fuel Tax Revenue Refunding Bond, Series 2015 (the "Series 2015 CFT Bonds")

The Series 2015 CFT Bonds shall not be rated and will not be marketed pursuant to an official statement. Bank will accept the Series 2015 CFT Bonds as a physical certificate registered in the name of the Bank.

Par Amount: Up to \$14,000,000 fully drawn at closing.

Use of Proceeds: To current refund in full the outstanding Brevard County, Florida Constitutional Fuel Tax Revenue Refunding Bonds, Series 2005 and pay cost of issuance of the Series 2015 CFT Bonds.

Expected Closing: The Series 2015 CFT Bonds are expected to close on or about October 1, 2015

Maturity Date: August 1, 2020

Repayment, Amortization: Principal due on the Series 2015 CFT Bonds shall be paid annually each August 1 starting August 1, 2016. Pricing herein is based on the amortization schedule below provided in the RFP and any changes made shall be acceptable to the Bank in its sole discretion.

Series 2015 CFT Bonds	Balance	Principal Due
10/1/2015	\$13,580,000	Closing
8/1/2016	\$11,280,000	\$2,300,000
8/1/2017	\$8,535,000	\$2,745,000
8/1/2018	\$5,735,000	\$2,800,000
8/1/2019	\$2,890,000	\$2,845,000
8/1/2020	\$0	\$2,890,000

Security: Principal, interest and prepayment fee, if any, for the Series 2015 CFT Bonds shall be secured equally and ratably by a pledge of and lien upon the Pledged Funds, that includes County's Constitutional Fuel Tax Revenues and until applied per provisions on the Bond Resolution, all moneys, including income from the investment thereof, in certain (but not all) of the funds and accounts established by the Bond Resolution.

The County covenants to continue and take all steps required on its part to remain eligible to receive the Constitutional Fuel Tax while the Series 2015 CFT Bonds are outstanding and shall not take any action or fail to take any action that would cause a suspension or termination of the receipt of the Pledged Revenues or take any action or enter into any agreement that shall result in reducing the level of taxes pledged by the County from the level prevailing at the time of this Term Sheet.

The Reserve Account Requirement for the Series 2015 CFT Bonds will be \$0.00.



Optional Prepayment: Prepayments are permitted on any business day starting August 1, 2016 with five business days prior written notice, subject to a potential Prepayment Fee, the calculation of which is set forth in Exhibit A. Partial prepayments shall be made in inverse order of maturity.

Interest Rate, Fees

Interest Rate: See summary table on page 2.

Payment Date, Day Count: Interest on the Series 2015 CFT Bonds will be paid semi annually in arrears on each February 1 and August 1, starting February 1, 2016. Interest of the Series 2015 CFT Bonds will be calculated on the basis of twelve 30 day months and a 360 day year.

Determination of Taxability: Upon a Determination of Taxability with respect to the Series 2015 CFT Bonds and until the earliest of (i) a subsequent tax exempt qualifying date, (ii) a prepayment date (if any) and (iii) the Maturity Date, the Series 2015 CFT Bonds will bear interest from the date that taxability commences at a rate equal to the product of the tax-exempt rate of interest otherwise in effect and the Taxable Rate Factor (currently 1.54).

The Taxable Rate Factor is the amount by which the tax-exempt rate must be multiplied to achieve the equivalent taxable rate given the highest marginal federal corporate tax rate, currently 35%. The Taxable Rate Factor is subject to change should the highest marginal federal corporate tax rate change.

The Borrower is also responsible for payment of any interest, penalties or charges owed by the Bank as a result of interest on the Series 2015 CFT Bonds that accrues from becoming includable in the gross income of the Bank, **together with any and all attorneys' fees, court costs, or other out-of-pocket cost** incurred by the Bank in connection therewith.

A change in the interest rate due to this provision will NOT trigger an exception for the prepayment penalty provision.

Default Rate: During the continuance of any default under the Series 2015 CFT Bonds, the interest rate shall be increased to the maximum rate allowed under law.

Bank Counsel Fee: Bank proposes to engage Mark E. Raymond, located in Palm Beach Gardens, FL, to represent the Bank in this transaction (Email: mark.raymond@mraymondlaw.com PH: (561) 775-8440 Fax: (561) 775-8442). The legal fees and any related expenses for Bank Counsel are fixed at \$5,000. The fee level quoted assumes that documentation and legal opinions are prepared by the County's bond counsel. All such documents shall be acceptable to the Bank.

Fees and Expenses Valid Through Date: All fees and expenses, including those of Bank Counsel, may increase if the transaction is not closed by October 15, 2015.

Expenses: The County will be responsible for all costs and expenses relating to the Facility, including fees and disbursements of Bank's counsel, Bond Counsel, and the County's financial advisor and any other expenses incidental to the transaction contemplated by the Facility or this term sheet.

The County will also pay the expenses of Bank in connection with the enforcement of any loan documentation.

Other Standard Provisions

Indemnification: To the extent permitted by law, customary Bank indemnification in all cases except where the Bank is proven to have been guilty of gross negligence or willful misconduct.



Assignments and Participations: The Bank reserves the right in its sole discretion to make assignments to other financial institutions and will be permitted to sell participations in the Series 2015 CFT Bonds without the consent of the County.

Waivers / Amendments: Amendments and waivers of the provisions of the Series 2015 CFT Bonds documentation, including the Resolution, will require approval of the Bank.

Choice of Law / Jury Trial / Venue

Governing Law: This proposed Term Sheet and any other documents to which the Bank shall become a party shall be construed according to the laws of the State of Florida.

Jury Trial: The Borrower agrees to waive any right to a trial by jury in any action or proceeding with respect to any dispute or controversy under the Series 2015 CFT Bonds documents.

Venue: Any litigation involving the Bank shall be brought in the appropriate Florida court having jurisdiction over the matter.

Description of the Basic Documentary Terms and Conditions

Documentation: Legal documentation will be provided by Nabors, Giblin & Nickerson, Bond Counsel to the County. Documentation will include a Resolution, Bond, Purchaser's Certificate(s) and other documents typical for transactions of this nature. The documentation will include, but not be limited to, the terms and conditions outlined herein, as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies.

Conditions Precedent To Closing:

Standard for facilities of this type, including but not limited to:

The negotiation, execution and delivery of definitive documentation (including, without limitation, satisfactory legal opinions and other customary closing documents) for the Series 2015 CFT Bonds satisfactory to Bank.

There shall not have occurred any event or condition that has had or could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect. "Material Adverse Effect" means (A) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the County, taken as a whole; (B) a material impairment of the rights and remedies of Bank under any loan documentation, or of the ability of the County to perform its obligations under any loan documentation to which it is a party; or (C) a material adverse effect upon the legality, validity, binding effect or enforceability against the County of any Facility documentation to which it is a party, in each case as determined in the sole discretion of Bank.

Certified copies of relevant ordinances, resolutions, agreements, contracts, certificates, etc. as requested by Bank or its counsel.

Receipt of satisfactory financial information, budgets, projections, etc. as requested by the Bank.

Other conditions precedent as are customary for a financing of the type contemplated, including payment of fees at closing.

Representations and Usual and customary for transactions of this type including, without limitation, the following: (i)



Warranties

legal existence, qualification and power; (ii) due authorization and no contravention of law, contracts or organizational documents; (iii) governmental and third party approvals and consents; (iv) enforceability; (v) accuracy and completeness of specified financial statements and no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect; (vi) no material litigation; (vii) no default; (viii) ownership of property; (ix) insurance matters; (x) tax matters; (xi) use of proceeds; (xii) accuracy of disclosure; (xiii) no bankruptcy or insolvency; and (xiv) no proposed legal changes which may adversely affect the Facility, the obligations of the Borrower thereunder or the transaction.

Covenants:

Usual and customary for transactions of this type, including, without limitation, the following: (i) timely delivery of audited financial statements, compliance certificates and other information, (ii) notices of default, material litigation, material governmental proceedings or investigations, ineligibility to receive the Constitutional Fuel Tax Revenues and material changes in accounting or financial reporting practices; (iii) payment of obligations; (iv) preservation of existence; (v) maintenance of properties and insurance; (vi) compliance with laws; (vii) maintenance of books and records; (viii) inspection rights; (ix) use of proceeds; (x) limitations on (A) liens and investments (B) mergers and other fundamental changes, (C) sales and other dispositions of property or assets, (D) amendments to transaction documents without consent of Bank and (xi) subordination of swap termination payments and restrictions on collateralization of swap obligations

Investment Representations:

In connection with purchasing the Series 2015 CFT Bonds, the Bank will make usual and customary representations to the County, including (a) its knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of purchasing the Series 2015 CFT Bonds; (b) its receipt of, or access to, all information from the County or otherwise that it deems necessary to make such purchase; and (c) purchasing the Series 2015 CFT Bonds for its own account or for resale to an affiliated entity in which Bank of America Corporation will retain an interest, and not with a view to, or for resale in connection with, any distribution of the Series 2015 CFT Bonds. Bank will follow up with its preferred form of Investment Letter for further review by County and its advisors upon request.

Financial Covenants:

Subject to the Additional Bonds Test of 1.50x or better as defined in Section 5.02 of County's Bond Resolution.

Reporting Requirements:

See summary table on page 2.

Events of Default:

Usual and customary in transactions of this type including, without limitation, the following: (i) nonpayment of principal, interest, fees or other amounts; (ii) failure to perform or observe covenants set forth in the Series 2015 CFT Bonds documentation after applicable grace periods; (iii) any representation or warranty proving to have been incorrect when made or confirmed; (iv) cross-default to other parity debt or subordinate debt secured by Pledged Revenues; (v) bankruptcy, insolvency, debt moratorium, etc.; (vi) actual or asserted invalidity or impairment of any documentation; and (vii) downgrade on parity debt below Baa3/BBB- (or the equivalent) by Moody's, S&P or Fitch, respectively or withdrawal or suspension of those ratings for credit related reasons.*

* To the extent that there is neither a rating on the Series 2015 CFT Bonds nor on parity debt, then minimum debt service coverage will apply, set at 1.0x MADS for parity and subordinated debt secured by Pledged Revenues, if any, based on pledged revenue collected during the fiscal year end computation period. To the extent this test becomes applicable, County to provide a compliance certificate including its calculation with the annual audit.

Remedies:

Upon occurrence of an Event of Default, the Bank may, among other things, cause the Default Rate to apply to all outstanding obligations of the County to the Bank and pursue any other remedies to which it is entitled under the documents, at law or in equity. For any payment that is



more than 15 days late, the Bank may impose a late fee equal to 4% of the amount of the late payment.

The County will agree that neither other parity debt nor subordinate debt secured by Pledged Revenues shall contain a right to accelerate payment of amounts due with respect thereto unless a similar right is also granted to the Bank.

Proposed Terms and Conditions Subject to Certain Events

This Summary of Terms is intended only as an outline of certain of the material terms of the Facility and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in definitive documentation for the Facility contemplated hereby. This Summary of Terms is not a commitment. It represents a willingness on the part of Bank to seek approval to provide the commitment indicated herein and consummate a transaction based upon the terms and conditions outlined in this term sheet and is subject to:

Final credit approval (see "Credit Process Timeframe" below),

Absence of any material adverse change in the financial condition, operations or prospects of the County, or in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the sole discretion of Bank,

Such additional due diligence as Bank may require, and

Agreement as to all final terms and conditions and satisfactory documentation thereof (including satisfactory legal opinions).

Credit Process Timeframe: The credit process will take 7 business days from the point at which the Bank is awarded the transaction (subject to District approval), and has in its possession all materials necessary to complete its final credit analysis. As of this date, initial credit underwriting has been completed and required preliminary approvals have been received to make this proposal.

Expiration: Consideration of a financing based on the terms and conditions presented in this term sheet shall automatically expire September 15, 2015 unless the Bank has received a signed acceptance by such date.

If the Bank issues a commitment, the Bank reserves the right to terminate, reduce or otherwise amend its commitment if the subject transaction is not closed by October 15, 2015.

Future Modifications: The terms, conditions, pricing levels and fees (including legal fees and expenses) cited herein reference the financing and the Facility Amount as described in this Term Sheet and are subject to revision in the event that (i) the Facility Amount changes, (ii) the security or transaction structure is modified, (iii) the transaction deviates materially from what was initially described in the RFP or in conjunction therewith, (iv) the proposed financing does not close by October 15, 2015.

Confidentiality

This Term Sheet contains confidential and proprietary structuring and pricing information. Except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the Facility or as may be required by law, the contents of this Term Sheet may not be disclosed in whole or in part to any other person or entity without our prior written consent, provided that nothing herein shall restrict disclosure of information relating to the tax structure or tax treatment of the proposed Facility.



No Advisory or Fiduciary Role

The Borrower acknowledges and agrees that: (i) the transaction contemplated by this Term Sheet is an arm's length, commercial transaction between the Borrower and the Bank in which the Bank is acting solely as a principal and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the Issuer or the Borrower; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank has provided other services or is currently providing other services to the Borrower on other matters); (iv) the only obligations the Bank has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this Term Sheet; and (v) the Bank is not recommending that the Borrower take an action with respect to the transaction contemplated by this Term Sheet, and before taking any action with respect to the contemplated transaction, Borrower should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If Borrower would like a municipal advisor in this transaction that has legal fiduciary duties to Borrower respectively, Borrower is free to engage a municipal advisor to serve in that capacity. This Term Sheet is provided to Borrower pursuant to and in reliance upon the "RFP exemption" and the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 *et seq.*

Agreement by the Borrower

The Borrower hereby agrees to engage Bank to provide the Facility described, which is the subject hereof, pursuant to the terms and conditions stated herein.

Please have an authorized officer of the Borrower, evidence their agreement with the foregoing by signing and returning a copy of the document to Bank of America (email acceptable).

Accepted and Agreed to:

BREVARD COUNTY, FLORIDA

By:  _____ Date: 09/15/15

Printed Name: ROBIN FISHER, CHAIRMAN

Approved by the Board : 09/15/15

ATTEST: 

SCOTT ELLIS, CLERK



Exhibit A

The [Bonds, Notes, Certificates, Borrower Note - *conform to defined terms] may be [prepaid, redeemed - *Use Applicable Language] in whole, or in part, on August 1, 2016 or any business day thereafter, with five (5) business days prior written notice to the [Bondholder, Noteholder, Certificate Holder, Bank, Lender - *conform to defined terms] by payment in an amount equal to the principal amount to be [prepaid/ redeemed - *Use Applicable Language] plus accrued interest thereon to the date of [prepayment/redemption - *Use Applicable Language] plus the Prepayment Fee. For purposes hereof, the Prepayment Fee will be the sum of fees calculated separately for each Prepaid Installment, as follows:

(i) The Lender will first determine the amount of interest which would have accrued each month at the Taxable Equivalent Rate for the Prepaid Installment had it remained outstanding until the applicable Original Payment Date, using the interest rate applicable to the Prepaid Installment under this Agreement.

(ii) The Lender will then subtract from each monthly interest amount determined in (i), above, the amount of interest which would accrue for that Prepaid Installment if it were reinvested from the date of prepayment or redemption through the Original Payment Date, using the Treasury Rate.

(iii) If (i) minus (ii) for the Prepaid Installment is greater than zero, the Lender will discount the monthly differences to the date of prepayment or redemption by the Treasury Rate. The Lender will then add together all of the discounted monthly differences for the Prepaid Installment.

The following definitions will apply to the calculation of the Prepayment Fee:

(i) "Original Payment Dates" mean the dates on which the prepaid or redeemed principal would have been paid if there had been no prepayment or redemption. If any of the principal would have been paid later than the end of the fixed rate interest period in effect at the time of prepayment or redemption, then the Original Payment Date for that amount will be the last day of the interest period.

(ii) "Prepaid Installment" means the amount of the prepaid or redeemed principal which would have been paid on a single Original Payment Date.

(iii) "Taxable Equivalent Rate" means the interest rate per annum derived from the following formula: [interest rate on the Bond, Note, Certificate, Borrower Note - *Use Applicable Term] divided by the difference of (1 minus the Maximum Corporate Income Tax Rate). The "Maximum Corporate Income Tax Rate" is the highest marginal federal income tax rate charged to U.S. corporations in effect at the time of the prepayment calculation. The "Maximum Corporate Income Tax Rate" is currently 35% (or 0.35 in numerical terms).

"Tax Rate" is the highest marginal federal income tax rate charged to U.S. corporations in effect at the time of the prepayment calculation. The "Maximum Corporate Income Tax Rate" is currently 35% (or 0.35 in numerical terms).

(iv) "Treasury Rate" means the yield on the Treasury Constant Maturity Series with maturity equal to the Original Payment Date of the Prepaid Installment which are principal payments (calculated as of the [date of redemption/prepayment - *Use Applicable Language] in accordance with accepted financial practice and rounded to the nearest quarter-year), as reported in Federal Reserve Statistical Release H.15, Selected Interest Rates of the Board of Governors of the Federal Reserve System, or any successor publication. If no maturity exactly corresponding to such Original Payment Date appears in Release H.15, the Treasury Rate will be determined by linear interpolation between the yields reported in Release H.15. If for any reason Release H.15 is no longer published, the [Bondholder, Noteholder, Certificate Holder, Bank, Lender, *conform to defined terms] shall select a comparable publication to determine the Treasury Rate.





Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972

September 16, 2015

MEMORANDUM

TO: Stockton Whitten, County Manager

RE: Item V.A., Reschedule Second Budget Hearing to September 28, 2015

The Board of County Commissioners, in special session on September 15, 2015, approved moving the second budget hearing from September 29, 2015, at 5:30 p.m. to September 28, 2015, at 5:30 p.m.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Etheridge, Deputy Clerk

cc: Each Commissioner
County Attorney
SCGTV Director