

**Government & Institutional Banking**

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Oscar Herrera
Vice President

October 1, 2014

Ed De La Vega, CPPB
Business Services Manager
Village of Wellington
12300 Forest Hill Boulevard
Wellington, FL 33414
561-791-4055 - Office
561-904-5809 – Fax
edelavega@wellingtonfl.gov

Reference: Up to \$5,450,000 Tax-Exempt, Bank Qualified Direct Purchase Loan

Dear Ed:

Thank you for providing Regions Bank (“**Bank**”) with the opportunity to offer a financing solution to the Village of Wellington, FL (“**Village**”) for a Tax-Exempt Bank Qualified Direct Purchase Loan. I am pleased to inform you that the Bank has agreed to commit on aggregate up to \$5,450,000 to satisfy the aforementioned funding needs.

We understand that the Village intends to close the aforementioned transaction on or before October 17, 2014 (“**Closing Date**”), and upon our designation as the selected Bank we commit to working with you and your advisors to close the transaction in the most expeditious manner. Below, you will find the proposed set of terms and conditions associated with the proposed transaction:

Bank:	Regions Bank
Borrower/Issuer:	Village of Wellington, FL
Facility Type:	Tax-Exempt, Bank Qualified Direct Purchase Loan (“ Term Loan ”)
Purpose:	(i) Refinance the Village's Public Service Tax Revenue Refunding Bond, Series 2005; and (ii) pay the associated costs of issuance.
Amount:	Up to \$5,450,000
Maturity Date:	September 1, 2019
Amortization Period:	As requested by the Village, the Bank offers an amortization scheduled based on equal semi-annual payments of principal and interest until the Maturity Date. The Bank is willing to revise the amortization schedule to modify principal payments if so desired by the Village.

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Interest Rate:	<p>This is a Tax-Exempt, Bank Qualified transaction. The rate on this borrowing would be fixed for the entirety of the Term Loan at a level of 1.55%.</p> <p>Interest payments on the Term Loan will be calculated upon a year of 365/366 days, for the actual number of days elapsed and will be paid semiannually on March 1 and September 1 of each year, commencing on March 1, 2015.</p>
Repayment:	The principal amount of the Term Loan will be payable semi-annually each year, commencing on March 1, 2015 and through the Maturity Date. Any outstanding principal balance and accrued interest will be due on the Maturity Date.
Prepayment:	The Village may prepay the outstanding principal amount of the Term Loan in whole or in part, together with interest accrued through the prepayment date, without penalty.
Facility Fee:	Waived
Security:	The Term Loan will be a limited obligation of the Village payable from the (i) public service tax levied by the Village pursuant to Section 166.231, Florida Statutes, and (ii) the revenues received by the Village pursuant to the communications services tax imposed pursuant to Section 202.20(1)(b), Florida Statutes (jointly, the “Pledged Revenues”). The Loan will be issued pursuant to Resolution No. R99-68 of the Village, as supplemented (the “Public Service Tax Resolution”).
Legal Fees:	The Village’s bond counsel will provide documentation associated with this transaction. Documentation will be subject to the Bank’s review and approval. The Village agrees to pay all legal fees and expenses of the Bank associated with the review and closing of this transaction, which costs may be paid with proceeds of the Term Loan, and will be billed on an hourly basis not to exceed \$5,000 .
Covenants & Reporting Requirements:	<p>Mutually agreeable covenants and requirements substantially similar to those included in the Ordinance, including but not limited to the Village’s maintaining compliance with the following:</p> <ul style="list-style-type: none"> (i) Complying with all County, State and Federal regulations in regard to all timeframes for reporting of all budgetary, compliance and financial issues. (ii) Delivering audited financial statements within 210 days after the end of the Village’s fiscal year; and, (iii) Delivering a copy of the annual budget within 30 days after its adoption. (iv) Complying with the requirement that no Additional Bonds will be permitted unless the amount of Pledge Revenues adjusted as provided for the immediately preceding Fiscal Year or any twelve (12) consecutive months selected by the Village of the eighteen (18) months immediately preceding the issuance of such Additional Bonds, as the case may be, equals at least 1.25 times the Maximum Debt Service Requirement for all Outstanding Bonds and such Additional Bonds then proposed to be issued, and that no Event of Default was disclosed in the report of the most recent Annual Audit, or if an Event of Default was so disclosed, that it shall have been cured.
Other:	Prior to closing this financing, the Bank must be provided with an opinion, in form and substance satisfactory to the Bank and its counsel, from Bond Counsel with experience in the matters to be covered by the opinion, that (i) the debt instrument constitutes the legal, valid and binding obligation of the Village and is enforceable

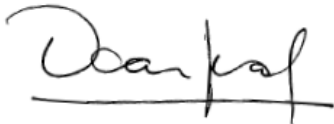
	<p>in accordance with the terms thereof under the laws of the State of Florida, and (ii) interest on the debt instrument is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax (as defined for federal income tax purposes) imposed on individuals and corporations.</p> <p>Upon a potential occurrence of a “Determination of Taxability” of the Term Loan, the tax-exempt rate will automatically be adjusted to a taxable rate as of the taxability date.</p> <p>The Term Loan is to be governed by and subject to the formal documents setting forth terms and conditions typical and customary in conjunction with the above-described borrowing and consistent with prudent banking practices.</p>
Disclaimer:	<p>This letter describes some of the basic terms and conditions proposed to be included in the documents between the Bank and the Village. This letter does not purport to summarize all the conditions, covenants, representations, warranties, events of default, cross default, acceleration events, remedies or other provisions that may be contained in documents required to consummate this financing.</p>
Role of Bank:	<p>In connection with the potential purchase of the Term Loan, the Bank shall act solely as purchaser of the Term Loan for its own account (without a present intent to reoffer), and neither the Bank nor any of its affiliates shall act as a fiduciary for the Issuer or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor. Neither the Bank nor any of its affiliates has provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the Issuer with respect to the proposed issuance of the Term Loan. The Issuer shall represent in the Loan documentation that the Issuer has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the proposed issuance of the Term Loan from its financial, legal and other advisors (and not the Bank or any of its affiliates) to the extent that the Issuer desired to obtain such advice.</p> <p>Without limiting the generality of the foregoing, (a) neither the Bank nor any of its affiliates is recommending an action to the Issuer or any other municipal entity or obligated person obligated with respect to the Term Loan; (b) neither the Bank nor any of its affiliates is acting as an advisor to the Issuer or any such municipal entity or obligated person, and none of the Bank and its affiliates owes a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the Issuer or any such municipal entity or obligated person with respect to the information and material contained in this communication; (c) the Bank and its applicable affiliates are acting for their own respective interests; and (d) the Issuer and any such municipal entity or obligated person should discuss any information and material contained in this communication with any and all internal or external advisors and experts that the Issuer or such municipal entity or obligated person deems appropriate before acting on this information or material.</p> <p>If the Bank or any of its affiliates should recommend an action to the Issuer or any other municipal entity or obligated person in connection with the purchase of the Term Loan, the Issuer acknowledges and agrees that the Bank will not provide advice regarding the structure, timing, terms, and similar matters with respect to letters of credit, direct loans, municipal securities, or other extensions of credit that</p>

	extends beyond the Term Loan, which the Bank plans to purchase for its own account; hence, the Bank intends for any advice and recommendations provided by the Bank in connection with the matters described herein to qualify for the bank exemption to the "Municipal Advisor Rule" of the Securities and Exchange Commission.
Confidentiality:	The Village agrees to keep this term sheet and all of its material terms CONFIDENTIAL . The Village is not to disclose this term sheet or any of its material terms to anyone, without the prior consent of the Bank, except as such disclosure is required by law or regulation or as a result of any legal or administrative procedure.
Governing Law:	State of Florida

Upon return by the Village to the Bank of a fully executed copy of this commitment, by the time set forth below, this commitment will constitute an agreement of the Village to accept the terms and conditions set out above regarding the aforementioned credit facilities. This includes payment of any fees/expenses noted above, regardless of whether the Term Loan is closed. **Unless an executed copy of this commitment is received by the Bank by 1:00 p.m. Eastern Daylight Time on Wednesday, October 15, 2014, this commitment shall, at the Bank's option, be null and void and of no further force and effect. If accepted, this borrowing must close on or before the Closing Date.** Any extension of the validity of these terms beyond the Closing Date is subject to the Bank's sole consent.

Thank you for providing the Bank with this opportunity to develop a financial partnership with the Village. We are grateful for your consideration and remain available to promptly respond to any questions that you may have regarding this document. I look forward to hearing from you.

Sincerely,



Oscar Herrera
Vice President

Signed and accepted on this ____ day of _____, 2014.

Village of Wellington, Florida

By: _____

Title: _____