
HILLSBOROUGH COUNTY AVIATION AUTHORITY

Citibank, N.A. Loan Financing Proposal

October 27, 2016



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**Hillsborough County Aviation Authority
Loan Financing Proposal
Preliminary Terms and Conditions**

NOTE: This Proposal constitutes a brief summary of certain, but not all transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment.

I. Summary of Transaction

Parties																													
Borrower	Hillsborough County Aviation Authority (the "Authority")																												
Contact	<p>Ann Davis Director of Finance 4160 George J. Bean Pkwy (813) 870-8715 Tampa, FL 33607 adavis@tampaairport.com</p>																												
Lender	Citibank, N.A.																												
	The Lender proposes to deliver credit to the Authority in the form of a funded loan. The Loan, as proposed by the Lender, shall be most similar in structure to the term loan period under a drawn letter of credit. In its capacity as Lender, Citibank shall not be viewed as a general bondholder but shall instead be granted all covenants, rights and remedies afforded to other credit providers.																												
Contacts	<p>Jessica Emery Director, Citigroup jessica.emery@citi.com (212) 723-7124</p> <p>Rebekah McGuire Vice President, Citigroup rebekah.mcguire@citi.com (212)723-5577</p> <p>390 Greenwich St., 2nd Floor (212)723-8939 fax New York, NY 10013</p>																												
Credit Ratings	<table border="1"> <thead> <tr> <th>Rating Agency</th> <th>Long-Term</th> <th>Short-Term</th> <th>Outlook</th> </tr> </thead> <tbody> <tr> <td>Moody's</td> <td>A1</td> <td>P-1</td> <td>Stable</td> </tr> <tr> <td>S&P</td> <td>A</td> <td>A-1</td> <td>Positive</td> </tr> <tr> <td>Fitch</td> <td>A+</td> <td>F1</td> <td>Stable</td> </tr> </tbody> </table>	Rating Agency	Long-Term	Short-Term	Outlook	Moody's	A1	P-1	Stable	S&P	A	A-1	Positive	Fitch	A+	F1	Stable												
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Purpose	Proceeds of the Loan ("Loan") to be used to i) refund the Authority's 2008B Bonds and ii) fund certain expenses and costs of issuance associated with the Loan.																												
Facility Description	A tax-exempt fixed rate Loan provided by the Lender to be drawn down in full on the Closing Date and repaid as set forth below.																												
Security	The Loan will be made pursuant to a Loan Agreement (the "Loan Agreement") evidenced by a Note and secured by Authority Net Revenues structured on parity with outstanding senior lien General Airport Revenue Bond indebtedness.																												



Proposal Expiration Date	This term sheet shall expire on October 27, 2016 unless accepted and closing occurs within 90 days hereof.
Credit Approval	Final Credit Approval is subject to review and acceptance of satisfactory documentation. Timing of completion of documentation will be largely determined by the timing of awarding of a mandate for the proposed transaction.

II. General Loan Features

Closing Date	Not later than 90 days from the date of this Proposal										
Maturity Date	October 1, 2020										
Maximum Par Amount	Up to \$16,525,000 million to be drawn down on the Closing Date.										
Amortization	<table border="1"> <thead> <tr> <th>Date</th> <th>Principal</th> </tr> </thead> <tbody> <tr> <td>10/01/2017</td> <td>\$0</td> </tr> <tr> <td>10/01/2018</td> <td>\$5,000,000</td> </tr> <tr> <td>10/01/2019</td> <td>\$9,580,000</td> </tr> <tr> <td>10/01/2020</td> <td>\$1,945,000</td> </tr> </tbody> </table>	Date	Principal	10/01/2017	\$0	10/01/2018	\$5,000,000	10/01/2019	\$9,580,000	10/01/2020	\$1,945,000
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Upfront Fee	None										
Payment Frequency	Semiannually										
Day Count	30/360										
Interest Rate Calculation	The Interest Rate on the Bonds is as of close of business, October 24, 2016; the Interest Rate will be a fixed rate determined as the sum of 3-year MMD plus the Margin. Such rate shall be determined five business days prior to the Closing Date. The indicative Interest Rate as of 10/21/2016 is 2.16%, assuming the Authority's current ratings of Aa3 and AA- and AA- by Moody's, S&P and Fitch, respectively.										
Margin	1.23%. Final Margin will be determined five business days prior to the Closing Date. The Margin is as of close of business October 24, 2016 and is based on the Lender's LIBOR based cost of funds. The Margin shall be subject to adjustment according to the Authority's long-term public ratings										
Event of Default Rate	Upon the occurrence of an Event of Default, 9.00% Margin on the Interest Rate										
Taxable Rate	Upon the occurrence of an Event of Taxability, the Loan Interest Rate shall be equal to 1 Month LIBOR + 5.50%.										
Maximum Rate	The maximum Loan Interest Rate shall be the lesser of i) 25% or ii) the maximum rate permitted by law. Excess interest shall be subject to recapture pursuant to a standard claw back provision.										
Optional Pre-Payment Provisions	The Loan shall not be subject to pre-payment prior to the Maturity Date, unless a make-whole payment is calculated and accepted by the Lender.										
Closing Conditions	Those customary for transactions of this nature, including, but not limited to: <ul style="list-style-type: none"> a) Completion of the due diligence process, including receipt of detailed descriptions pertaining to the financial condition and capability of the Obligor; b) Final credit approval from Lender's Credit Committee; c) Assurance that the Authority is authorized to enter into the Loan Agreement and to issue the Note evidencing and securing its obligations under the Loan Agreement on parity with senior lien GARBs; d) Delivery of all required legal opinions including that the Loan Agreement and 										



	<p>the Note have been duly authorized and executed by the Authority and are valid and binding limited obligations, enforceable in accordance with their terms, and all obligations thereunder are payable solely from and secured equally and ratably by a pledge of and lien upon the Authority Net Revenues on parity with outstanding senior lien GARBs;</p> <p>e) Payment of all closing fees and expenses;</p> <p>f) Execution and delivery of all related documentation;</p> <p>g) Such other documents, certificates, opinions or other information as the Lender may request.</p>
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III. Events of Default

Customary for facilities of this nature, including, but not limited to:	
	<ul style="list-style-type: none"> i. The occurrence or existence of an event, default, event of default (other than a payment default) or other similar condition by the Authority under any loan, credit facility, swap, hedge, or derivative which has resulted in such obligation becoming, or becoming capable at such time of being declared, due and payable under such agreement or instrument (or in the case of a swap, hedge or derivative, results in such agreement being terminated early or being capable of being terminated early); ii. The occurrence or existence of a default by the Authority in making one or more payments on the due date thereof under the Loan or any other obligation of the Authority other than the Loan (including any loan, credit facility, swap, hedge or derivative), provided that any applicable grace period shall not apply; iii. Failure to perform or observe any term, covenant or agreement contained within the Loan not covered in (i) or (ii) above; subject to any applicable grace period iv. A bankruptcy or insolvency of the Authority or moratorium of payment of debt of the Authority v. Any final, nonappealable judgment for the payment of money in a material amount shall be rendered against the Authority and shall remain unpaid vi. Representations or warranties are inaccurate or incomplete in any material respect vii. Invalidity or unenforceability of the Loan or any related documents or the Authority's obligations thereunder or the Authority contests or denies any such obligations viii. Occurrence of any event or change which separately or in the aggregate with other events results in or could reasonably be expected to result in a material adverse change, as determined by the Lender ix. Withdrawal or suspension of the rating on the obligations of the Authority by either Moody's or S&P or Fitch (if applicable)
	Upon the occurrence of an Event of Default, the Loan may be immediately due and payable.

IV. Additional Requirements/Conditions

Reporting Requirements	The Authority shall furnish to the Lender information reasonable and typical for this
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	type of transaction.
Covenants	<ul style="list-style-type: none"> i. Authority parity obligations rated at or above A3 and A- and A- by Moody's, S&P and Fitch, respectively; ii. Incorporation of covenants from related financing documents; iii. Continued existence; iv. Maintenance of trustee, paying agent, registrar (Lender approval of any subsequent substitution); v. Maintenance of ratings at all times; vi. Standard yield protection, withholding and tax indemnification; vii. Information reporting, access to records and further assurance; viii. Limitation on documentation amendments (Lender approval of relevant documents).
Parity Covenant Provision	The Lender shall be entitled to all covenants provided to creditors on parity obligations so that it shall never be deemed to have fallen to a subordinate security position.
Assignment, Participation, Pledging, and Transfer	The Lender shall retain the right, on or before the Closing Date or at any point thereafter, without the consent of the Authority, to assign, pledge as security, participate or transfer the Loan to (i) any entity which is related to the Lender or (ii) to any special purpose entity which issues certificates representing a beneficial interest in the Loan for an aggregate price that is not in excess of the stated amount of the Loan and solely to entities which are Qualified Institutional Buyers or (iii) to any entity qualified, in the judgment of the Lender, to purchase the Loan.
Governing Law	<p>The Loan Agreement shall be construed, and the obligations, rights and remedies of the Lender shall be determined, in accordance with the laws of the State of New York, without reference to its choice-of-law doctrine.</p> <p>The Authority shall consent to the exclusive jurisdiction of New York courts, Federal or State.</p>
Waiver of Jury Trial	The Authority and the Lender waive any rights to a trial by jury in respect to any litigation arising from or in connection with the Loan Agreement.
Consent Rights	The Lender shall have full independent consent rights to any and all modifications to the Loan Agreement, regardless of whether or not the Lender is a minority participant or the sole lender.
Right of Setoff	Upon the occurrence of an Event of Default, the Lender may, at any time and from time to time, without notice to the Authority (any such notice being expressly waived), set off and appropriate and apply, against and on account of, any obligations and liabilities of the Authority to the Lender or its affiliates arising under or connected with the Loan.
Sovereign Immunity	The Authority is not entitled to claim immunity, and to the fullest extent permitted by applicable law irrevocably waives, on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets (irrespective of their use or intended use) immunity from i) suit, ii) jurisdiction, iii) relief by way of a writ of mandamus for the performance of its obligations under the Loan Agreement, or iv) enforcement of any judgment to which it or its revenues or assets might otherwise be made subject to any suit, action or proceedings relating to the Loan in any court of the State and no such immunity (whether claimed or not claimed) may be attributed to such party or its revenues or assets.
Documentation	The Loan will be subject to the preparation, execution and delivery of mutually acceptable documentation, which will contain conditions precedent, representations and warranties, covenants, events of default and other provisions customary for



	<p>facilities of this nature and as determined by Citi, including, but not limited to those terms and conditions contained herein.</p> <p>At a minimum, such documentation shall include the Loan, promissory note (to evidence the obligation of the Authority under the Loan), Tax Opinion, Enforceability Opinion, Lien Validity & Perfection Opinion and Rating Agency Letter, all acceptable in form and substance to the Lender.</p>
EMMA and Rating Agency Disclosure	<p>Immediately following the Closing Date, the Lender shall deliver to the Authority a version of the Loan Agreement which has been redacted to remove pricing details as well as other sensitive transaction details. Within 30 days of the Closing Date, the Authority shall cause the Indenture and the redacted Loan Agreement to be posted on the MSRB's EMMA site and shall also deliver the relevant transaction documents to the rating agencies.</p>
Change in Law/Increased Costs	<p>If the Lender determines that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive, or any change in the interpretation, implementation, or administration thereof shall (i) change the basis of taxation of payments to the Lender, (ii) impose, modify or deem applicable any capital reserve, liquidity, special deposit, insurance premium, fee, financial charge, monetary burden or similar requirement against issuing the Loan or (iii) impose on the Lender any other condition, expense or cost regarding the Loan Agreement, and the result shall be to increase the cost to the Lender issuing the Loan or complying with any term of the Loan Agreement or to reduce the amount of any sum received or receivable by the Lender thereunder, then, upon demand by the Lender, the Authority shall pay such additional amount or amounts as will compensate the Lender for such increased costs or reductions in amount.</p>
Legal Fees/Expenses	<p>Legal fees and expenses estimated not to exceed \$40,000 and capped at \$55,000 shall be due and payable to the Lender, regardless of whether the transaction is successfully closed.</p>
Legal Counsel	<p>Debbie Ruskin Partner, Kutak Rock LLP 1625 Eye Street, N.W. Suite 800 Washington, DC 20006-4374 debbie.ruskin@kutakrock.com</p> <p style="text-align: right;">(202) 828-2438 (202) 828-2488 fax</p>
Expenses	<p>All fees and expenses incurred in the execution of the Loan shall be paid by the Authority on or before the Closing Date.</p>



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Citi works with its clients in greenhouse gas intensive industries to evaluate emerging risks from climate change and, where appropriate, to mitigate those risks.

efficiency, renewable energy and mitigation