

TD Public Finance LLC
2307 West Kennedy Blvd. 2nd Floor
Tampa, FL 33609
Tel: 813-250-3069
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May 21, 2026

Irina Kukharengo
Finance Director
City of North Port, Florida
4970 City Hall Boulevard
North Port, Florida 34286

RE: City of North Port, Florida Request for Proposal, Capital Improvement Revenue Note, Series 2026 (not to exceed \$34,125,000).

Dear Ms. Kukharengo,

In response to the Request for Proposal for an up to \$34,125,000 Capital Improvement Revenue Note, Series 2026, TD Public Finance LLC (the "Purchaser") is pleased to submit the following proposal to the City of North Port, Florida (the "City")

The structure of the proposed Credit Accommodation is outlined in the attached term sheet (Exhibit A) which provides a statement of suggested terms, but under no circumstance shall such statement be construed as a complete summarization of terms necessary for consummation of the proposed Credit Accommodation. PLEASE NOTE THIS PROPOSAL IS SUBJECT TO FORMAL CREDIT REVIEW AND UNDERWRITING IN ACCORDANCE WITH THE PURCHASER'S INTERNAL POLICY AND NOTHING HEREIN SHALL CONSTITUTE A BINDING COMMITMENT TO LEND. Further, we expressly advise you that TD Public Finance LLC has not approved the Credit Accommodation. The Purchaser shall not be liable to the City or any other person for any losses, damages or consequential damages which may result from the City's reliance upon this proposal letter, the proposed Credit Accommodation, the proposed term sheet or any transaction contemplated hereby.

The Purchaser's Proposal is subject to acceptance by the City prior to 1:00 pm eastern standard time on May 29, 2026 and is contingent upon a Closing with mutually acceptable documents between the City and Purchaser prior to 3:00 pm eastern standard time on November 15, 2026.

This letter, including the terms contained within the proposed Credit Accommodation, is delivered to you on the condition that its existence and its contents will not be disclosed without our prior written approval, except (i) as may be required to be disclosed in any legal proceeding or as may otherwise be required by law and on a confidential and "need to know" basis, to your directors, officers, employees, advisors and agents.

We appreciate this opportunity and are delighted to provide this Proposal. We look forward to working with you to successfully complete this transaction. My contact information is noted above.

Very truly yours,
TD Public Finance LLC

By: 
Robert Catoe
Vice President

BANK OVERVIEW:

(a) **Bank Contact:** Rob Catoe,
Vice President and Sr. Relationship Manager

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Tampa, FL 33609
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robert.catoe@td.com

(b) **Bank Ratings:** The table below includes the Bank's current long-term and short-term ratings as well ratings outlooks from Moody's, S&P and DBRS Morningstar. Please note, the Bank is not currently rated by Fitch Ratings.

TD Bank, N.A.

	Moody's	S&P	Fitch	DBRS
Long Term Deposits	Aa3	A+	AA	AA (low)
Long Term Debt	A2	A+	AA-	AA (low)
Short Term Debt (Deposits)	P-1	A-1	F1+	R-1 (middle)
Outlook	Stable	Stable	Negative	Stable

Summary of Terms and Conditions
For Discussion Purposes Only
City of North Port, Florida
May 21, 2026

Aggregate amount of the proposed Credit Facility shall not exceed \$34,125,000
(Direct Purchase)

Direct Purchase Option

- Borrower:** City of North Port, Florida (the "Borrower" or "City")
- Purchaser:** TD Public Finance LLC (the "Purchaser").
- Credit Facility:** Direct Purchase of Tax-Exempt Notes ("Note") to be purchased by the Purchaser pursuant to the terms of a Loan Agreement between the Borrower and the Purchaser (the "DP Credit Facility").
- Amount(s):** Aggregate amount of the Note shall not exceed \$34,125,000.00.
- Purpose:** The Note will be used to (i) finance the cost of capital improvements to the Police Headquarters, Community Education Center, and Dallas White Park Cultural Center, as well as (ii) paying the related costs of issuance.
- Term:** July 1, 2046
- Repayment:** Interest on the Note shall be payable semi-annually on January 1 and July 1, commencing January 1, 2027.
- Principal on the Note will be paid annually (July 1), commencing on July 1, 2027 in accordance with the Amortization Schedule attached in Appendix A.
- Interest Rate:** **Tax-Exempt Fixed Rate:**
The Indicative Tax-Exempt Fixed Rate as of May 21, 2026 is 4.40%. Interest on the Note shall be calculated on the basis of a 360-day year consisting of twelve 30-day months (30/360).
- Based on the following formula:
$$(79\% * \text{Custom Cost of Funds}) + 0.50\%$$
- Bank will hold the interest rate for the Credit Facility for Borrower through the expected Closing Date of November 15, 2026, if Borrower confirms for the Bank, within two (2) business days of proposal submission date and the rate is still available, that the Bank will be recommended as the financial provider for the requested facility along with prepayment option being selected.
- Upfront Fee:** \$10,000
- Prepayment:** **Option A:** At the time of any full or partial prepayment, (i) A "Yield Maintenance Fee" in an amount computed as follows shall apply:
This Note may be prepaid on any Business Day in whole or in part upon thirty (30) days prior written notice to the Purchaser. In the event of any prepayment of the Note, whether by voluntary prepayment, acceleration or otherwise, the Borrower shall, at the option of the Purchaser, pay a "fixed rate prepayment charge" equal to the greater of (i) 1.00% of the principal balance being prepaid multiplied by the "Remaining Term," as hereinafter defined, in years or (ii) a "Yield Maintenance Fee" in an amount computed as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Stated Interest

Rate". If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed rate prepayment charge" due to the Purchaser upon prepayment of the principal of this Loan plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

Yield Maintenance Fee = [Amount Being Prepaid x (Stated Interest Rate - Current Cost of Funds) x Days in the Remaining Term/360 days] + any accrued interest due "Remaining Term."

"Remaining Term" as used herein shall mean the period from the date of prepayment to the maturity date of the Note.

Option B: No Prepayment Penalty: Borrower can elect to have a "No Prepayment" penalty associated with this Loan by adding a premium of **10 basis points** to the quoted proposed Loan Rate.

Payments under any prepayment option will be applied in inverse order of scheduled maturity or amortization.

Option C: 5 Year Make Whole / no prepayment thereafter: Borrower can elect to have a "No Prepayment" penalty following a Five (5) year Make Whole period by adding a premium of **7 basis points** to the quoted proposed Loan Rate.

Security:

Secured by a covenant to budget and appropriate from all non-ad valorem revenues of the City which are lawfully available to be used to pay debt service on amounts due under the Note (CBA). Such covenant will be consistent with the covenant contained in the existing loan agreement relating to the City's outstanding Capital Improvement Refunding Revenue Note, Series 2023.

Late Charges:

If any payment due the Purchaser is more than fifteen (15) days overdue, a late charge of six percent (6%) of the overdue payment shall be assessed.

Financial Covenants:

All standard covenants and provisions shall be applicable to the Note

Additional Bonds Test:

Based on prior 2-year average, Non-Ad Valorem Revenues less Adjusted Essential Expenditures shall cover projected Maximum Annual Debt Service (MADS) on all outstanding and proposed debt payable by a CBA or pledge of specific Non-Ad Valorem Revenue(s) by at least 1.5x. MADS shall be determined in a manner consistent with the governing financing documents, including reasonable assumptions for variable rate debt. This test will be certified by the City prior to the issuance of any additional parity obligations.

Such covenants shall not be amended without consent of the Purchaser.

Financial Reporting:

The Credit Facility shall include the following reporting requirements:

1. Within 270 days of each fiscal year end, the Borrower shall provide an Annual Audited Financial Statements of the Borrower, prepared on a consolidated basis by a CPA. The Audited Financial Statements shall be accompanied by a Certificate of Compliance signed by an authorized officer of the Borrower confirming compliance with the terms of the Credit Facility.
2. Annual Budget due within 60 days of beginning of Fiscal Year.
3. Any additional information as the Purchaser may reasonably request.

Representations

And Warranties: The Credit Facility shall include Representations and Warranties appropriate for facilities of this type, size, and purpose and generally consistent with the Borrower's existing facilities, including, but not limited to, the following: no material adverse change, true and accurate financial statements, no material litigation, requisite insurance, enforceability, no events of default, government consents, solvency, compliance with tax law and maintenance of tax-exempt status, compliance with environmental law and full disclosure of environmental matters.

Other

Covenants:

In addition to the terms and conditions outlined herein, the Credit Facility will contain affirmative and negative covenants appropriate for a borrower and a financing of this type and generally consistent with the Borrower's existing credit, liquidity and direct purchase facilities and such covenants shall include, no material amendments to, or terminations or substitutions to, the transaction documents.

Events

of Default:

The Credit Facility shall include, but will not be limited to, the following Events of Default:

1. Payment default;
2. Violation of covenants;
3. Bankruptcy or insolvency;
4. Breach of representations or warranties.

Default Rate:

Upon the occurrence and during the continuance of an Event of Default, the outstanding principal balance of the Note, and to the extent permitted by law all accrued and unpaid interest thereon, shall bear interest at a "default rate of interest" equal to six (6) percentage points in excess of the Prime Rate as quoted in the Wall Street Journal, with the Prime Rate subject to a floor of 3%

Other

Conditions:

Closing of each of the Purchaser's Credit Facility shall be contingent on the following conditions:

1. Final credit approval of the Purchaser.
2. Documents for the tax-exempt Note will include taxability language (including retroactive interest, penalties and other fees and costs associated therewith) allowing for a higher taxable Note rate should the IRS deem the Note to be a taxable facility solely due to events associated with action or inaction of Borrower.
3. If at any time the Facility is outstanding and the unenhanced long-term Moody's, S&P or Fitch ratings on any issuer debt are withdrawn, suspended for credit-related reasons or reduced below Baa1/BBB+, respectively, it shall trigger an Event of Default.
4. Borrower covenants and agrees that documents will include language stipulating that the Bond Facility and all existing and future Obligations shall be on parity without preference to be given to any particular issuance.
5. No material adverse changes in the condition, financial or otherwise, operations, properties, assets or prospects of the Borrower.
6. Facility is to be cross defaulted for payment default for any existing and/or future indebtedness secured by a Covenant to Budget and Appropriate.
7. To the extent that any other loan secured by a covenant to budget and appropriate non-ad valorem revenues has more restrictive covenants or exercises acceleration, Bank shall also receive benefit of these provisions.
8. No material threatened or pending litigation.
9. Delivery of properly executed opinions of counsel (including Bond counsel and Issuer's counsel) satisfactory to the Purchaser and its counsel.
10. Execution of documentation in form and substance satisfactory to the Purchaser and its counsel.
11. Any other conditions the Purchaser may reasonably require.

**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 Purchaser in which

Purchaser is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Borrower; (ii) the Purchaser has not assumed any advisory or fiduciary responsibility to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the Borrower on other matters); (iii) the only obligations the Purchaser has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this Term Sheet; and (iv) the Borrower has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Fees and Expenses:

The Borrower shall pay to the Purchaser on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Purchaser in connection with the Note. The City's bond counsel will provide documentation associated with this transaction. Documentation will be subject to the review and approval of the Purchaser and the Purchaser's counsel. The City agrees to pay all legal fees and expenses of the Purchaser associated with the review and closing of this transaction, which costs may be paid with proceeds of the Note with a not to exceed \$10,000.00. Purchaser's counsel shall be the following:

Governing Law: State of Florida

Waiver of Jury Trial:

The Borrower shall waive its right to a trial by jury.

Confidentiality:

These Summary of Terms and Conditions contain 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 Notes or as may be required by law, the contents of this proposal 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 Notes.

Patriot Act Notice:

The Purchaser is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56) (signed into law October 26, 2001)) (the "Act") and hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Purchaser to identify the Borrower in accordance with the Act.

These Summary of Terms and Conditions are provided for discussion purposes only, are not binding on any party, and therefore, do not constitute a commitment to lend by the Purchaser. The Summary of Terms and Conditions are intended to be merely a summary of the provisions by which the Purchaser has contemplated the proposed financing, and, therefore, do not include all of the terms and conditions that would be included in definitive documentation required by the Purchaser to execute the proposed transaction. Consequently, the terms proposed herein are provided for the purpose of discussion for a period of 30 days following the date of this letter, unless otherwise extended in writing by the Purchaser. Any extension of credit is subject to final credit approval through the Purchaser's normal approval process. If credit is offered in the future, the required terms and conditions will be made in writing and may differ substantially from those contained in this proposal.

Appendix A: Amortization Schedule

Maturity	Amount
7/1/2027	\$ 705,000
7/1/2028	\$ 1,095,000
7/1/2029	\$ 1,150,000
7/1/2030	\$ 1,205,000
7/1/2031	\$ 1,265,000
7/1/2032	\$ 1,330,000
7/1/2033	\$ 1,395,000
7/1/2034	\$ 1,465,000
7/1/2035	\$ 1,540,000
7/1/2036	\$ 1,615,000
7/1/2037	\$ 1,700,000
7/1/2038	\$ 1,785,000
7/1/2039	\$ 1,870,000
7/1/2040	\$ 1,965,000
7/1/2041	\$ 2,065,000
7/1/2042	\$ 2,165,000
7/1/2043	\$ 2,275,000
7/1/2044	\$ 2,390,000
7/1/2045	\$ 2,510,000
7/1/2046	\$ 2,635,000
Total	\$ 34,125,000