

EXPLANATION OF CONSENT AGENDA ITEM E.2.(c)20b – April 27, 2016

ITEM:

Consideration of approving Resolution RES-2016-03-EXE-3 contained herein. This Resolution authorizes the issuance of an amount not to exceed \$40,000,000 principal amount of Canaveral Port Authority Port Improvement Revenue Bond Series 2016B in order to finance and/or reimburse certain capital improvements and to repay certain draws made under its Revolving Credit Agreement. This Resolution provides certain terms and details of such Bond and authorizes a negotiated sale of said Series 2016B Bond to STI Institutional and Government Inc. at the terms and conditions outlined in the attached credit accommodation updated at the time of closing. This Resolution also provides for the approval of certain amendments to the aforementioned bond resolution and provides an effective date of those changes.

EXPLANATION:

The attached Summary of Terms and Conditions outlines the terms and conditions of a proposed 15 year fixed rate debt instrument in the amount of approximately \$38.0M at an interest rate as of April 13, 2016 of 2.3%. At the time of closing, which has not yet been finalized, this rate will be adjusted to reflect 69.75% of the ten (10) year H-15 Swap Rate plus 118 basis points. Currently it is anticipated that the debt instrument will be repaid interest only for the first five years with principal payments commencing in June of 2021 with a final maturity date of June 2031. Based on cash flow projections and debt service ratio calculations at the time of closing, repayment terms may vary with the enclosed Credit Accommodation Letter.

This resolution contains updates, modifications and amendments to the Canaveral Port Authority's Port Improvement Revenue Refunding Bond Resolution ("Resolution"). The changes to the Bond Covenants were approved in Item E.2.(c)20a of the April 27, 2016 commission meeting. These changes will be incorporated in closing documents for the proposed negotiated sales of the Series 2016B Bond to STI Institutional and Government, Inc.

Staff recommends approval
Prepared by Rodger Rees



RESOLUTION NO. RES-2016-03-EXE-3

RESOLUTION OF THE CANAVERAL PORT AUTHORITY SUPPLEMENTING A RESOLUTION ENTITLED: "A RESOLUTION OF THE CANAVERAL PORT AUTHORITY AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF PORT IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 1992 IN ORDER TO PROVIDE FUNDS FOR THE PURPOSES OF FINANCING THE COSTS OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE AUTHORITY AND FOR FINANCING CERTAIN PORT IMPROVEMENTS; PLEDGING THE GROSS REVENUES RECEIVED BY THE AUTHORITY TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS; PROVIDING FOR CERTAIN ADDITIONAL MATTERS IN RESPECT TO SAID BONDS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION"; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$40,000,000 PRINCIPAL AMOUNT OF CANAVERAL PORT AUTHORITY PORT IMPROVEMENT REVENUE BOND, SERIES 2016B, IN ORDER TO FINANCE AND/OR REIMBURSE CERTAIN CAPITAL IMPROVEMENTS AND TO REPAY CERTAIN DRAWS MADE UNDER ITS REVOLVING CREDIT AGREEMENT; PROVIDING CERTAIN TERMS AND DETAILS OF SUCH BOND; AUTHORIZING A NEGOTIATED SALE OF SAID BOND; ACCEPTING A COMMITMENT FROM STI INSTITUTIONAL & GOVERNMENT, INC. TO PURCHASE THE SERIES 2016B BOND; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CANAVERAL PORT AUTHORITY as follows:

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

(A) On October 7, 1992, the Canaveral Port Authority (the "Issuer") duly adopted Resolution No. 92-8, as amended and supplemented (the "Bond Resolution").

(B) The Issuer currently has outstanding pursuant to the Bond Resolution Canaveral Port Authority Port Revenue Refunding Bonds, Series 2006A (the "Series 2006A Bonds"), Canaveral Port Authority Port Improvement Revenue Bonds, Series 2006B (the "Series 2006B Bonds"), Canaveral Port Authority Port Improvement Revenue Bonds, Series 2008 (the "Series 2008 Bonds"), Canaveral Port Authority Port Improvement Revenue Bonds, Series 2010 (the "Series 2010 Bonds"), Canaveral Port Authority Port Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bond"), Canaveral Port Authority Port Improvement Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), Canaveral Port Authority Port Improvement Revenue Bonds, Series 2014 (the "Series 2014 Bonds") and Canaveral Port Authority Port Revenue Refunding Bond, Series 2015 (the "Series 2015 Bond"). The Issuer has determined to issue the Canaveral Port Improvement Revenue Bond, Series 2016A (the "Series 2016A Bond"). The Series 2006A Bonds, the Series 2006B Bonds, the Series 2008 Bond, the Series 2010 Bond, the Series 2012 Bond, the Series 2013 Bond, the Series 2014 Bonds, the Series 2015 Bond and the Series 2016A Bond are collectively referred to herein as the "Parity Bonds."

(C) The Bond Resolution provides for the issuance of Additional Bonds upon meeting the requirements set forth in the Bond Resolution.

(D) The Issuer deems it in its best economic interests (1) to issue its Canaveral Port Authority Port Improvement Revenue Bond, Series 2016B (the "Series 2016B Bond") in order to finance and/or reimburse a portion of certain capital improvements (the "2016 Project") as described in Exhibit A attached hereto, and (2) to repay certain draws under its Revolving Credit Agreement (the "Revolving Credit Agreement"), with PNC Bank, National Association ("PNC").

(E) The covenants, pledges and conditions in the Bond Resolution shall be applicable to the Series 2016B Bond herein authorized to the same extent as for the Parity Bonds, and said Series 2016B Bond shall constitute a "Bond" within the meaning of the Bond Resolution.

(F) The principal of and interest on the Series 2016B Bond and all required sinking fund, reserve and other payments shall be limited obligations of the Issuer, payable solely from the Pledged Funds, as provided in the Bond Resolution, on a parity with the Parity Bonds. The Series 2016B Bond shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, the Port District, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, any political subdivision thereof, the Issuer nor the Port District shall be obligated (1) to exercise its ad valorem taxing power in any form on any real or personal property of or in the Issuer to pay the principal of the Series 2016B Bond, the interest thereon, or other costs incidental thereto or (2) to pay the same from any other funds of the Issuer except from the Pledged Funds, in the manner provided in the Bond Resolution.

(G) Due to the volatility of the market for tax-exempt obligations such as the Series 2016B Bond and the nature of the transactions involving the Series 2016B Bond, it is in the best interest of the Issuer to sell the Series 2016B Bond by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2016B Bond.

(H) The Issuer has received a favorable offer to purchase the Series 2016B Bond from STI Institutional & Government, Inc. (together with all subsequent holders, collectively, the "Purchaser") in the form of the Commitment attached hereto as Exhibit B (the "Commitment"), all within the parameters set forth herein.

(I) The Bond Resolution provides that Bonds such as the Series 2016B Bond shall mature on such dates and in such amounts, shall bear such rates of interest, shall be payable in such places and shall be subject to such redemption provisions as shall be determined by Supplemental Resolution adopted by the Issuer; and it is now appropriate that the Issuer determine parameters for such terms and details.

SECTION 2. DEFINITIONS. When used in this Supplemental Resolution, the terms defined in the Bond Resolution shall have the meanings therein stated, except as such definitions may be hereinafter amended or defined.

SECTION 3. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Bond Resolution.

SECTION 4. DESCRIPTION OF THE SERIES 2016B BOND. (A) The Issuer hereby authorizes the issuance of a Series of Bonds in the principal amount of not to exceed \$40,000,000 to be known (notwithstanding any provision of Section 2.01 of the Bond Resolution to the contrary) as the "Canaveral Port Authority Port Improvement Revenue Bond, Series 2016B." The Series 2016B Bond shall be issued for the principal purposes of financing a portion of the 2016 Project, repaying certain draws made under the Revolving Credit Agreement and paying costs of issuance of the Series 2016B Bond. The principal amount of the Series 2016B Bond to be issued pursuant to the Bond Resolution shall be determined by the Chairman provided such principal amount does not exceed the amount provided above. The Series 2016B Bond shall be issued as one Bond in an amount not to exceed \$40,000,000.

The Series 2016B Bond shall be dated as of the date of their delivery and shall be issued in the form of a fully registered bond or bonds. The Series 2016B Bond shall bear interest computed on the basis of a 360-day year consisting of twelve 30-day months, from their dated date, payable on such dates (each an "Interest Date"), and at such interest rate or rates as shall be provided in the Commitment. Principal shall be payable in such amounts on such dates as shall be provided in the Commitment and approved by the

Chief Financial Officer, subject to the conditions set forth herein. The Series 2016B Bond shall be subject to such redemption provisions as shall be provided in the Commitment and approved by the Chief Financial Officer. The final maturity date shall be June 1, 2031.

Except as otherwise provided herein, interest payable on the Series 2016B Bond on any Interest Date and all principal payments coming due will be paid by check or draft mailed to the Holder in whose name such Series 2016B Bond shall be registered at the close of business on the date which shall be the fifth day (whether or not a business day) next preceding such payment date, or, at the request and expense of such Holder, by bank wire transfer for the account of such Holder. All payments of principal of and interest on the Series 2016B Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(B) The form of the Commitment, with such amendments, changes and modifications as shall be approved by the Chairman, is hereby approved subject to the conditions of this Section 2.01(B). Execution of the Series 2016B Bond by the Chairman shall be conclusive evidence of approval of any such amendments, changes and modifications. The Series 2016B Bond shall not be executed by the Chairman until such time as all of the following condition has been satisfied:

(i) Receipt by the Chief Financial Officer of a disclosure statement and a truth-in-bonding statement of the Purchaser dated the date of the Commitment and complying with Section 218.385, Florida Statutes.

Upon satisfaction of all the requirements set forth in this Section 2.01(B), the Chairman is authorized to execute and deliver the Series 2016B Bond containing terms complying with the provisions of this Section 2.01(B) and the Series 2016B Bond shall be sold to the Purchaser pursuant to the provisions of the Commitment.

SECTION 5. REDEMPTION PROVISIONS FOR SERIES 2016B BOND.

The Series 2016B Bond may be redeemed from any moneys legally available therefor upon the notice and conditions provided in the Bond Resolution and the Commitment.

SECTION 6. APPLICATION OF SERIES 2016B BOND PROCEEDS.

The proceeds derived from the sale of the Series 2016B Bond shall, simultaneously with the delivery of the Series 2016B Bond to the Purchaser, be applied by the Issuer as follows:

(A) A sufficient amount of proceeds of the Series 2016B Bond shall be used by the Issuer to pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2016B Bond.

(B) A sufficient amount of the proceeds of the Series 2016B Bond shall be used to repay PNC for certain draws on the Revolving Credit Agreement as shall be determined by the Chief Financial Officer.

(C) The remaining Series 2016B Bond proceeds shall be deposited to the "Series 2016B Account" of the Construction Fund, which is hereby established, and used to pay a portion of the costs of the acquisition and construction and reimbursement of the 2016 Project.

SECTION 7. APPOINTMENT OF PAYING AGENT AND REGISTRAR. The Issuer shall serve as Registrar and Paying Agent for the Series 2016B Bond.

SECTION 8. AUTHORIZATION OF FUNDING OF 2016 PROJECT. The Issuer hereby authorizes and approves the funding of the 2016 Project.

SECTION 9. RESERVE ACCOUNT. Pursuant to Section 4.05(A)(3) of the Bond Resolution, the Issuer hereby determines to establish a separate subaccount in the Reserve Account for the Series 2016B Bond. Such subaccount shall secure only the Series 2016B Bond, which shall not be secured by any moneys in the Reserve Account. The Reserve Account Requirement for the Series 2016B Bond shall be \$0.00.

SECTION 10. GENERAL AUTHORITY. The members of the governing body, the Chief Executive Officer, the Chief Financial Officer and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Supplemental Resolution, the Bond Resolution or the Commitment or desirable or consistent with the requirements hereof or the Bond Resolution or the Commitment for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Series 2016B Bond, the Bond Resolution and the Commitment and each member, employee, attorney and officer of the Issuer or the governing body is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. If the Chairman is unavailable or unable at any time to perform any duties or functions hereunder, the Vice-Chairman or the Chief Executive Officer are hereby authorized to act on his behalf. If the Chief Executive Officer is unavailable or unable at any time to perform any of the duties or functions hereunder, including, but not limited to, those described in Section 4 hereof, the Chief Financial Officer is hereby authorized to act on his behalf.

SECTION 11. BOND RESOLUTION TO CONTINUE IN FORCE. Except as herein expressly provided, the Bond Resolution and all the terms and provisions thereof, including the covenants contained therein, are and shall remain in full force and effect.

SECTION 12. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, even though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or the Series 2016B Bond issued hereunder.

SECTION 13. COVENANTS.

(A) The principal of and interest on the Series 2016B Bond shall be payable by auto-debit from an account selected by the Issuer.

(B) Audited financial statements of the Issuer shall be provided to the Holder within 270 days of the end of each Fiscal Year. The annual budget of the Issuer shall be provided to the Holder within 30 days after adoption. In addition, the Issuer shall promptly provide the Holder such other information as the Holder shall reasonably request.

(C) If any other Holders of Bonds are granted acceleration rights upon an Event of Default, the Holder of the Series 2016B Bond shall also have that right, and upon request, the Issuer shall provide the Holder a written confirmation of such right.

SECTION 14. EFFECTIVE DATE. This Supplemental Resolution shall become effective immediately upon its adoption.

DULY ADOPTED, this 27th day of April, 2016.

(SEAL)

CANAVERAL PORT AUTHORITY

By: _____
Chairman

ATTEST:

Secretary

EXHIBIT A

DESCRIPTION OF THE 2016 PROJECT

- Renovation, upgrade and expansion to Cruise Terminal 5, including new security lobby, expanded luggage, new vertical transportation, new and expanded seating, upgraded CBP, new boarding bridge, two new gangways, extend pier 70'-100', new pier fenders, pier and quay improvements, upgrade water and electric on pier, passenger drop-off flow improvements, new interior finishes, new HVAC systems. In addition to terminal expansion, CT5 will require a new parking garage facility and ground transportation improvements.
- Renovation, upgrade and expansion of Cruise Terminal 10 as a large ship (4000-5200 passengers) level capacity. CT10 is in need of expansion for baggage laydown, pre-board seating, security clearance check-in and clearance, baggage scanning, roof, check in desk, Vertical Transportation Systems, HVAC Systems, select electric upgrades, CBP area expansion, modern passenger boarding, and bridge/gangway systems. In addition, improved flow for passenger drop off, commercial traffic will be connected to reduce conflict and manpower.
- Improvements to Cruise Terminal 8, including renovations of the roof, Kalwall replacements, certain wall re-sealing and miscellaneous paintings.

EXHIBIT B

FORM OF COMMITMENT



COMMITMENT LETTER

April 20, 2016

CONFIDENTIAL

Rodger Rees, Chief Financial Officer
Canaveral Port Authority
445 Challenger Road, Suite 301
Cape Canaveral, FL 32920

Re: One or more loans or facilities described on Annex 1 (whether one or more loans or facilities, collectively "Loan") to Canaveral Port Authority (whether one or more collectively "Borrower")

Dear Mr. Rees:

SunTrust Bank [as Administrative Agent for itself and the Lenders, as defined in the Annex hereto] (the "Lender") is pleased to confirm to you that, subject to the terms and conditions set forth in this letter and the terms attached hereto as Annex 1 and Annex 2 incorporated herein by this reference (Annex 1, and Annex 2 together with this letter and any other supplemental annexes attached hereto and incorporated herein by this reference, this "Commitment Letter"), Lender has agreed to make the Loan to Borrower. In addition to those terms set forth in this Commitment Letter, Lender may require certain other customary terms, conditions and requirements (each in form and substance satisfactory to Lender in its sole discretion) for a credit facility of this type which may not be specifically listed in this Commitment Letter. This Commitment Letter is (i) not assignable, (ii) not intended to benefit any third party, and (iii) for Borrower's confidential use only and sent to Borrower on the condition that neither its existence nor its contents will be disclosed publicly or privately to any person or entity, except to those of Borrower's officers, employees, agents, counsel or accountants directly involved with the Loan and then only on the basis that it not be further disclosed.

The commitment evidenced by this Commitment Letter is subject to, among other requirements specified herein and in Annex 1: (i) the preparation, execution and delivery of mutually acceptable loan documentation incorporating substantially the terms and conditions set forth in this Commitment Letter (collectively the "Loan Documents"); (ii) the absence of a material adverse change in the business, condition (financial or otherwise), results of operations, properties or prospects of Borrower and/or its subsidiaries (if any) and/or of any Guarantor(s) as reflected in its financial statements as of September 30, 2014; (iii) the accuracy of all representations which you have made or will make to Lender and all information that you furnish to us and your compliance with the terms of this Commitment Letter; and (iv) such other terms and conditions as Lender shall deem necessary or appropriate, as will be more fully set forth in the Loan Documents.

Evaluation of the proposed financing would require and remain conditioned on, inter alia, Lender's receipt of all documentation and information Lender may require, including without limitation *and*, to the extent not previously delivered, the following items, which must be satisfactory to Lender in its sole discretion) for Borrower and Guarantor(s): (i) true and correct audited financial statements (CAFR) as of September 30, 2015 with attestations acceptable to Lender; (ii) entity organizational documents; (iii) an explanation of economics among the ownership (except for borrowers and/or guarantors that are individuals or single member entities); and (iv) a schedule or organizational chart of ownership interests (except for borrowers and/or guarantors that are individuals or single member entities). Please provide these items within [30] days of your execution of this Commitment Letter. After reviewing these items, Lender may determine that other information and/or documentation is needed to underwrite the proposed financing.

Pursuant to the requirements of the Patriot Act, Lender and its affiliates are required to obtain, verify and record information that identifies Loan obligors, which information includes the name, address, tax identification number and other information regarding obligors that will allow Lender to identify obligors in accordance with the Patriot Act, and Lender is hereby so authorized. This notice is given in accordance with the requirements of the Patriot Act and is effective for SunTrust and its affiliates.

All costs incurred by Lender in connection with the proposed financing, including but not limited to, Lender's legal fees and expenses, appraisals, searches, reports and other third party costs (collectively "**Costs**"), shall be paid and/or reimbursed by Borrower, whether or not the proposed financing closes, and your acknowledgement below authorizes Lender to order and proceed with same, and to engage legal counsel, all at your expense and in reliance on this understanding. Borrower shall be responsible for all fees and expenses including, without limitation, legal fees and expenses, incurred by Lender in enforcing its rights under this Commitment Letter. Borrower's obligation in respect of the costs and expenses referenced in this paragraph is in consideration, inter alia, for Lender's undertaking to underwrite the proposed financing and incur such Costs and shall survive the cancellation or termination of this Commitment Letter. If there are multiple parties comprising "Borrower" or "Guarantor", the defined terms shall refer to all such parties collectively, but each such party shall be jointly and severally liable under this Commitment Letter.

This Commitment Letter constitutes the entire understanding between Lender and Borrower in connection with the Loan as of the date hereof, (ii) supersedes any prior written or oral communications or understandings, and (iii) may be amended only by a writing signed by Borrower and Lender. If Lender and Borrower enter into the proposed Loan, this Commitment Letter shall not survive closing of the Loan but shall be superseded by the documents evidencing the Loan. This Commitment Letter is governed by the laws of the State of FL. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER, GUARANTOR AND LENDER EACH HEREBY WAIVES JURY TRIAL IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS COMMITMENT LETTER.** Neither Lender nor Borrower shall be deemed to have entered into, signed or executed binding documents evidencing the Loan by virtue of this or any other communication at any time prior to Lender's express acceptance of Loan documents prepared by Lender or its counsel and bearing Borrower's duly authorized signature.

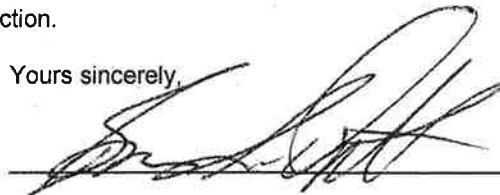
If you are in agreement with the foregoing, please sign and return a copy of this Commitment Letter to Lender by April 28, 2016 or this Commitment Letter will be deemed withdrawn.

Notwithstanding any other provision of this Commitment Letter, Lender's commitment and undertakings as set forth herein shall not be or become effective for any purpose unless and until Lender receives such copy of this Commitment Letter duly executed by an authorized officer of the Borrower prior to 5:00 p.m. (EST), on April 28, 2016. In no event shall Lender have any obligation to make the Loan available unless the closing shall have occurred on or prior to July 20, 2016. In addition to the foregoing, this Commitment Letter may be terminated at any time by mutual agreement.

This Commitment Letter may be executed in any number of separate counterparts, each of which shall collectively and separately, constitute one agreement. A signed counterpart of this Commitment Letter transmitted via facsimile, pdf or some other electronic means shall be as fully enforceable as the counterpart containing the original signature(s). Upon acceptance by you as provided herein, this Commitment Letter shall supersede all understandings and agreements between the parties hereto in respect of the transactions contemplated hereby.

We look forward to working with you on this transaction.

Yours sincerely,



By: Brian S. Orth
First Vice President
SunTrust Bank

Lender's Address:
200 S. Orange Avenue – SOAB 6
Orlando, FL 32801

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

The terms and conditions of this Commitment Letter are hereby acknowledged and agreed to this ____ day of _____, 20__.

BORROWER:

By: _____

Print Name: _____

Print Title: _____

ANNEX I

SUMMARY OF TERMS AND CONDITIONS

**Municipal Advisor
Rule Disclosure:**

STI Institutional & Government, Inc. (Lender) is an institutional buyer and makes direct purchase loans to Municipal Entities and Obligated Persons as defined under the Municipal Advisor Regulation, and in this term sheet is providing information regarding the terms under which it would make such a purchase for its own account.

- (a) Lender is not recommending an action to Borrower, the Guarantors or the issuer of the debt;
- (b) Lender is not acting as an advisor to Borrower, the Guarantors or the issuer of the debt and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to Borrower, the Guarantors or the issuer of the debt with respect to the information and material contained in this communication;
- (c) Lender is acting for its own interests; and
- (d) Borrower, the Guarantors and the issuer of the debt should discuss any information and material contained in this communication with any and all internal or external advisors and experts that the municipal entity or obligated person deems appropriate before acting on this information or material.

Borrower: Canaveral Port Authority ("*Borrower*").

Lender: STI Institutional & Government, Inc. ("*Lender*").

Facility: Non-Bank Qualified Loan in the form of a tax-exempt note ("*Loan*"). The Loan will be funded in a single drawdown on the closing date.

Loan Amount: \$38,000,000.00.

Purpose: The proceeds from the Note will be used to fund a portion of the Project Costs, which will among other things, be related to refurbishment of existing passenger terminal facilities and an affiliated parking garage.

Maturity Date: 15 years from the closing date.

Interest Rate: A fixed rate equal to 69.75% of the prevailing 10 year H-15 Swap Rate plus 118 basis points (calculated on the basis of a 30 day month and 360 day year).

Closing Requirements: Prior to issuing a closing, the Lender will receive and satisfactory review:

- 1. audited financial statements (CAFR) as of September 30, 2015.

Closing Date: This Commitment shall expire on July 20, 2016 unless further extended by the Lender.

Repayments: Interest only shall be payable semi-annually with principal due annually once amortization begins, which is currently anticipated to begin in year five, Loan will

amortize over the remaining 10 years (15 year total commitment). Parity Bank Loan financing shall have similar amortization schedule to that provided to the Lender.

Prepayment:

Borrower may prepay the Loan in whole or in part at any time upon two Business Days' prior written notice to Lender. Such prepayment notice shall specify the amount of the prepayment which is to be made. In the event of a prepayment of the Loan, Borrower may be required to pay Lender an additional fee (a prepayment charge or premium) determined by Lender's make whole compensation provision in the loan documents, to compensate Lender for all losses, costs and expenses incurred in connection with such prepayment. Any partial prepayment shall be applied as determined by Lender in its sole discretion. Notwithstanding the foregoing, the Borrower can repay up to 15% of the principal balance on an annual payment date without a prepayment charge. Partial prepayments of the loan shall be applied to scheduled maturities at the Lender's discretion.

Payments by Auto Debit:

Borrower shall use Auto Debit from one of their SunTrust Accounts.

Security:

The Note will be secured solely by a senior lien pledge of (a) the Gross Revenues, and (b) the moneys on deposit in certain of the funds and accounts created under the Resolution, as specified therein (collectively, the "Pledged Revenues") of the Borrower.

Representations and Warranties:

Usual and customary for Lender in transactions of this type.

Affirmative Covenants:

In addition to the covenants expressly set forth herein, other affirmative covenants usual and customary for Lender in transactions of this type, including without limitation: Borrower shall submit to the Lender annual audited financial statements within 270 days of fiscal year end and an annual budget within 30 days of adoption, together with any other information the Lender may reasonably request, in form satisfactory to Lender, and other additional information, reports or schedules (financial or otherwise), all as Lender may request.

Negative Covenants:

Usual and customary of Lender in transactions of this type.

Events of Default:

Usual and customary for transactions of this type (with customary notice and cure periods), and usual and customary remedies including but not limited to acceleration. If acceleration is not a remedy the default rate shall be increased from the stated default rate of Prime + 8%, to the lesser of 18% or the maximum allowed rate by law and the documents shall contain a clause assuring Lender that if other bondholders of parity debt have or are given acceleration rights Lender, will have the same acceleration rights.

Rate Covenant:

As more precisely detailed in the recently amended Bond Resolution (April, 2016), the Borrower shall, to the extent permitted by law, fix, establish and maintain such rates and collect such fees, rates or other charges for the products, services and facilities of its marine facilities, and revise the same from time to time, whenever necessary, as will always provide in each fiscal year

sufficient revenues to pay in each fiscal year at least one hundred twenty-five percent (125%) of the annual debt service on all outstanding bonds and loans and one hundred percent (100%) of all required reserve fund deposits.

Parity Debt: This debt will be on parity with all other senior debt secured by the pledged revenues of Borrower and other security heretofore described.

Additional Debt: As more precisely detailed in the recently amended Bond Resolution (April, 2016), the Borrower shall issue no additional Bonds unless: (i) as shown in a certificate of the Chief Financial Officer, Net Revenues (adjusted as permitted by the terms of the Bond Resolution) of the Borrower during any twelve (12) consecutive months within the preceding twenty-four (24) month period are equal to 1.25 times Maximum Annual Debt Service of all Bonds then outstanding and the to-be-issued Additional Bonds and 1.00 times any amounts required to be deposited into any Reserve Account; or (ii) as shown in a certificate or report from a Rate Consultant, the Net Revenues projected for each fiscal year from issuance of the Additional Bonds through the fifth fiscal year in which the project financed with proceeds of the Bonds is scheduled for completion, are equal to and not less than 1.25 times the Annual Debt Service for all bonds then outstanding.

Yield Maintenance: Upon the occurrence of a Taxable Event, the interest rate on the Note shall be adjusted in order to maintain the same after tax yield for Lender on the Note. "Taxable Event" means the occurrence after the date hereof of a final decree or judgment of any Federal court or final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of any Bond is or was includable in the gross income of a Lender for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the borrower has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of an Lender, and until the conclusion of any appellate review, if sought. A Taxable Event does not include and is not triggered by a change in law by Congress that causes the interest to be includable on lender's gross income.

Opinion of Counsel: (a) Borrower shall be required to deliver a written opinion from Borrower's Counsel, in form and substance acceptable to the Lender and Lender's Counsel.

(b) Receipt of opinion from Note Counsel in form and substance satisfactory to the Lender, which shall include, without limitation, an opinion that the interest on the Note is excludable from gross income of the owners thereof for Federal income tax purposes.

Legal Fee Quote: Our proposed Lender's counsel is Ed Vogel at Holland and Knight Law Firm in Orlando, FL. Fees for Lender's counsel will be:

- \$25,000.00 for the Note and Line of Credit (annex II) and includes review of documentation prepared by the Note and line of Credit counsel or counsel to the Borrower,
- Payment by borrower of expenses described herein shall not be contingent upon closing and legal fees on account of borrower after documentation has started are payable regardless of whether the transaction closes.
- If the loan has extraordinary negotiations, unexpected issues arise or the loan does not close before the closing date set in the commitment the legal

fee will be increased to reflect any extra work performed and Borrower agrees to pay such fee.

Closing Conditions: The closing of the Loan shall be conditioned upon satisfaction (or valid waiver) of conditions precedent usual and customary for transactions of this type, including, without limitation, the following conditions (all of the items to be delivered in form and substance satisfactory to Lender): (1) receipt and review of (a) all financial, formation and other information required by Lender on Borrower) and its constituent entities and other entities specified by Lender, including all due diligence materials to verify authority, identity and background information for regulatory purposes under applicable "know your customer" and anti-money laundering laws, as deemed necessary by Lender in its sole and absolute discretion and (b) such other information and due diligence deliveries as are requested by and acceptable to Lender, including, but not limited to, an environmental questionnaire and any other requested due diligence with respect to any applicable real property, legal documentation and attorney opinion letters; (2) authorization, execution and delivery of such documentation as is standard and customary for this type of transaction or otherwise deemed necessary or appropriate by Lender, including customary increased cost, yield protection provisions, treating Basel III and Dodd Frank as changes in law in a manner similar to that proposed by the LSTA for such provisions; and (3) there shall not have occurred, in the opinion of Lender, any material adverse change in the business or financial condition of Borrower or in any other state of facts submitted to Lender in connection with the Loan, from that which existed at the time Lender initially considered the proposed Loan.

The funding of the Loan shall be subject to accuracy of representations and warranties as of the date of such Loan and no event of default or incipient default under the Loan shall have occurred and be continuing as of the date of such Loan or would result from making the Loan. Last, no further amendments or changes to the Bond Resolution currently being circulated for approval by the Borrower's creditors.

No amendments to the Bond Resolution in sections related to: (i) Pledged Revenues; (ii) Rate Covenants; (iii) Issuance of additional parity bonds; (iv) Defaults; and (v) Events of Defaults and Remedies cannot be made without the prior consent of the Lender, and proposed modifications currently circulating with Borrowers creditors shall be ratified.

Expenses and Indemnification:

Borrower will pay all costs and expenses of Lender in connection with the administration and enforcement of all documentation executed in connection with the Loan [including, without limitation, the fees, charges and disbursements of Lender's counsel (including in-house counsel) subject to the limitations above regarding the loan closing counsel fees].

Governing Law and Jurisdiction:

State of FL.