

Linda Harris

From: Mayfield, Emory [Mayfield.Emory@ccbq.com]
Sent: Tuesday, December 15, 2009 11:09 AM
To: Michael Glazer; craig mcmillan; Arthur Lawson; Nicholas Thomas; Douglas Croley; Eugene Lamb
Cc: jolinda herring; McPherson, Walter
Subject: Hospital Financing Commitment
Attachments: 3006_0001.pdf

All,

Please find the attached commitment letter for the permanent financing of the Gadsden County Hospital. If I can answer any questions please don't hesitate to let me know.

Thank you,
Emory



More than your bank. Your banker.
Emory Mayfield, Jr.
Senior Vice President, Institutional Banking
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217 North Monroe Street Tallahassee, FL 32301



December 14, 2009

Gadsden County Board of County Commissioners
P.O. Box 1649
Quincy, FL 32353

Dear Commissioners:

I am pleased to inform you that Capital City Bank has approved the Gadsden County, Florida loan request for up to **\$9,850,000.00**. These proceeds will be used to term out the renovation expenses for the Gadsden County Hospital. The loan is subject to the following terms and conditions:

Borrower: Gadsden County Board of County Commissioners

Use of Proceeds: Permanent loan for the Gadsden County Hospital.

Loan Amount: Not to Exceed \$9,850,000.00

Loan Fee: \$10,000.00

Rate: The rate will be fixed at 4.38% (tax-exempt) for 3 years, adjusting after the third year on an annual basis to 69% of the 1 Year US Treasury + 3%. *This rate is only valid if this loan closes before January 29, 2010.* If the loan closes after January 29, 2010 then the initial rate will be calculated by the Three Year B-Rated Municipal Bond Index + 1.75%. This loan will have a floor rate of 4.38%.

Structure: The loan will fully amortize over 20 years. A principal payment will be due annually on December 31st of each year. Interest payments will be due quarterly. The loan will have 5 year call options.

Security: The loan will be secured by the following revenue streams:

1) The Indigent Care ½ Cent Sales Surtax (the "Surtax") proceeds.

2) Non-Ad Valorem tax revenue.

Conditions:

1) Bryant Miller Olive will represent Capital City Bank in this transaction and will prepare all bond documents. All legal costs in connection with the making and closing of this loan will be borne by the Borrower.

2) Borrower will maintain current insurance on the hospital, which shall consist of a multiple peril type policy, including but not limited to fire and extended coverage, vandalism and malicious mischief, and comprehensive general liability on the hospital. The Bank must be listed as a loss payee.

3) If the hospital is sold then the proceeds from the sale of the asset will be used first to repay the subject loan in full (including any accrued interest) and then any excess may be used for any lawful purpose.

4) The Borrower will covenant to budget and appropriate non-ad valorem revenue.

5) The Borrower agrees that the Surtax will remain in effect until the Bank is repaid in full (including any accrued interest), regardless of the status of the hospital license. The Borrower further agrees that the Board of County Commissioners will take no actions to prevent the collection of the Surtax or to repeal the Surtax. Such actions will constitute a loan default and result in an acceleration of the loan repayment schedule.

6) Borrower will covenant to maintain its primary deposit relationship with the Bank throughout the term of the loan.

7) The Borrower will supply the Bank updated financial information on Gadsden County upon request.

8) The loan shall be able to be deemed a "tax-exempt bank qualified obligation".

9) County must establish a principal and interest reserve held at Capital City Bank. The monthly payment will be approximately \$54,904.32. As a result, a \$55M monthly deposit account will need to be made into an interest bearing Money Market Account each month from the Surtax collections. The quarterly interest payments and annual principal payment will then be automatically deducted from the account.

10) Unless this commitment is accepted by January 29, 2010 the commitment will expire. Unless this loan is closed by March 31, 2010 this commitment will expire.

If the commission is in agreement with the above terms and conditions, please provide the Bank a written acceptance of this commitment.

Sincerely,



Emory Mayfield, Jr.
Senior Vice President,
Institutional Banking

CC: Walter McPherson, Capital City Bank President, Gadsden County