

RESOLUTION 2020-39

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 2015-05; AUTHORIZING THE REFUNDING OF THE CITY OF ST. PETE BEACH, FLORIDA WASTEWATER UTILITY SYSTEM REVENUE BOND, SERIES 2015, IN ORDER TO ACHIEVE DEBT SERVICE SAVINGS; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$4,200,000 IN PRINCIPAL AMOUNT OF A CITY OF ST. PETE BEACH, FLORIDA WASTEWATER UTILITY SYSTEM REFUNDING REVENUE BOND, SERIES 2020, IN ORDER TO REFUND SUCH SERIES 2015 BOND; AUTHORIZING A SALE OF SAID BOND PURSUANT TO THE PROPOSAL OF TRUIST BANK; PROVIDING CERTAIN TERMS AND DETAILS OF SUCH BOND AND DELEGATING CERTAIN AUTHORITY TO THE MAYOR, THE CITY MANAGER AND OTHER OFFICIALS IN CONNECTION WITH THE APPROVAL OF OTHER TERMS AND DETAILS OF SAID BOND; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on April 14, 2015, the City Commission (the "Commission") of the City of St. Pete Beach, Florida (the "Issuer") adopted Resolution No. 2015-05 (as supplemented hereby, the "Resolution"), which, among other things, authorized the issuance of City of St. Pete Beach, Florida Wastewater Utility Revenue Bonds from time to time; and

WHEREAS, pursuant to the Resolution, the Issuer previously issued the City of St. Pete Beach, Florida Wastewater Utility System Revenue Bond, Series 2015 (the "Series 2015 Bond") in order to finance various capital improvements to the System (as defined in the Resolution); and

WHEREAS, in light of the current interest rate market, the Issuer can achieve significant debt service savings by refunding the Series 2015 Bond; and

WHEREAS, pursuant to a competitive solicitation process conducted by the Issuer's Financial Advisor, the Issuer received a proposal from Truist Bank (the "Series 2020 Bondholder") to refund the Series 2015 Bond through the issuance by the Issuer of its City of St. Pete Beach, Florida Wastewater Utility Refunding Revenue Bond, Series 2020 (the "Series 2020 Bond"), which proposal is attached hereto as Exhibit A (the "Proposal"); and

WHEREAS, the Resolution provides for the issuance of Additional Bonds (as defined in the Resolution), in the manner and to the extent provided in the Resolution, for the principal purposes of financing capital improvements to the System and refunding outstanding indebtedness; and

WHEREAS, the Commission deems it to be in the best interest of the Issuer to accept the Proposal and to issue the Series 2020 Bond to the Series 2020 Bondholder as an Additional Bond in the manner and to the extent provided in the Resolution for the principal purpose of refunding the Series 2015 Bond; and

WHEREAS, on the date hereof, the Commission enacted Ordinance 2020-19 authorizing the issuance of the Series 2020 Bond to refund the Series 2015 Bond; and

WHEREAS, due to the potential volatility of the market for tax-exempt obligations such as the Series 2020 Bond and the complexity of the transactions relating to such Series 2020 Bond, it is in the best interest of the Issuer to sell the Series 2020 Bond by a negotiated sale to the Series 2020 Bondholder pursuant to the Proposal and the provisions hereof and of the Resolution, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price, terms and interest rate for the Series 2020 Bond; and

WHEREAS, the Issuer hereby certifies that it is current in all deposits into the various funds and accounts established by the Resolution and all payments theretofore required to have been deposited or made by the Issuer under the provisions of the Resolution have been deposited or made and the Issuer has complied with the covenants and agreements of the Resolution and is currently in compliance with the covenants and agreements of the Resolution; and

WHEREAS, the Resolution provides that the Series 2020 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 a Supplemental Resolution (as defined in the Resolution) adopted by the Issuer; and it is now appropriate that the Issuer determine certain of such provisions, terms and details and establish the mechanisms for determining the remaining provisions, terms and details; and

WHEREAS, the Series 2020 Bond shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of any constitutional or statutory provision, but shall be a special obligation of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds (as defined in the Resolution), in the manner and to the extent provided in the Resolution. No holder of the Series 2020 Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2020 Bond, or be entitled to payment of such Series 2020 Bond from any moneys of the Issuer except from the Pledged Funds in the manner and to the extent provided in the Resolution; and

WHEREAS, the covenants, pledges and conditions in the Resolution shall be applicable to the Series 2020 Bond herein authorized, and said Series 2020 Bond shall constitute a "Bond" within the meaning of the Resolution.

WHEREAS, it is not reasonably anticipated that more than \$10,000,000 of tax-exempt obligations as defined under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, will be issued by the Issuer during calendar year 2020.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF ST. PETE BEACH, THAT:

SECTION 1. Recitals. The above recitals ("Whereas" clauses) are true and correct and adopted hereby as findings, purpose and intent of the City Commission.

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

SECTION 3. Authority for this Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Charter of the Issuer, and all other applicable provisions of law.

SECTION 4. Authorization of Refunding; Acceptance of Proposal. (A) The Issuer hereby authorizes the refunding of the Series 2015 Bond through the issuance of the Series 2020 Bond.

(B) The Issuer hereby accepts the Proposal and ratifies and approves all action taken previously by the Issuer's Financial Advisor and Bond Counsel and all staff and officials of the Issuer in connection with the procurement and acceptance of the Proposal.

SECTION 5. Description of the Series 2020 Bond. The Issuer hereby authorizes the issuance of a Series of Bond in the principal amount of not exceeding \$4,200,000 to be known as the "City of St. Pete Beach, Florida Wastewater Utility System Refunding Revenue Bond, Series 2020" (or such other designation as the Mayor may determine), for the principal purpose of refunding the Series 2015 Bond. The specific principal amount of the Series 2020 Bond to be issued pursuant to the Resolution shall be determined by the Mayor, upon the advice of the City Manager and the Issuer's Financial Advisor, provided such principal amount does not exceed \$4,200,000.

The Series 2020 Bond shall be dated as of its date of issuance, or such other date as the Mayor may determine, shall be issued in the form of one fully registered Bond in the denomination of its outstanding principal amount and shall be numbered "R-1." The Series 2020 Bond shall bear interest from its dated date at a fixed interest rate of 1.89%

per annum (the "Interest Rate"). The Interest Rate is subject to adjustment as provided in Section 7 hereof. The Interest Rate shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2020 Bond shall be payable annually on November 1 each year (the "Interest Dates"), commencing on November 1, 2021. The Series 2020 Bond shall be issued as a single Term Bond with a final maturity of November 1, 2035 and shall be subject to mandatory sinking fund redemption in such Sinking Fund Installments commencing on November 1, 2021 and on each November 1 thereafter through the maturity date of the Series 2020 Bond, determined by the Mayor, upon the advice of the City Manager and the Issuer's Financial Advisor, and approved by the Series 2020 Bondholder prior to the issuance of the Series 2020 Bond. The Sinking Fund Installments shall be included in the Series 2020 Bond. The Series 2020 Bond shall be sold on a negotiated basis to the Series 2020 Bondholder at a purchase price equal to 100% of the principal amount thereof. The Series 2020 Bondholder shall provide the Issuer with an executed Disclosure Letter and Truth-in-Bonding Statement as required by Section 218.385, Florida Statutes, prior to the issuance of the Series 2020 Bond. The Interest Rate on the Series 2020 Bond shall comply in all respects with Section 215.84, Florida Statutes.

All payments of principal of and interest on the Series 2020 Bond shall be payable in any coin or currency of the United States which, at the time of payment, is legal tender for the payment of public and private debts and shall be made to the Series 2020 Bondholder in whose name the Series 2020 Bond shall be registered on the registration books maintained by the Issuer as of the close of business on the fifteenth day (whether or not a Business Day, as defined below) of the calendar month next preceding an Interest Date, (i) in immediately available funds, (ii) by delivering to the Series 2020 Bondholder no later than the applicable Interest Date a wire transfer, or (iii) in such other manner as the Issuer and the Series 2020 Bondholder shall agree upon in writing. After the Issuer makes the final payment of the principal of the Series 2020 Bond, the Series 2020 Bondholder will either provide the Issuer with the cancelled Series 2020 Bond or shall otherwise notify the Issuer in writing that such Series 2020 Bond has been fully paid and cancelled. If any Interest Date is not a Business Day, the corresponding payment shall be due on the next succeeding Business Day. The Issuer shall maintain books and records with respect to the identity of the Series 2020 Bondholder, including a complete and accurate record of any transfer of the Series 2020 Bond as provided in Section 10 hereof. For purposes of this Supplemental Resolution, "Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Series 2020 Bondholder is authorized or required to be closed.

The Series 2020 Bond shall be substantially in the form set forth in Section 2.08 of the Resolution, with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor. Execution of the Series 2020 Bond by the Mayor shall be conclusive evidence of approval of any such changes.

SECTION 6. Redemption Provisions. (A) The Series 2020 Bond shall not be subject to optional redemption prior to May 1, 2028. After May 1, 2028, the Series 2020 Bond may be redeemed in whole but not in part on any Business Day at a price equal to 100% of the principal amount of the Series 2020 Bond to be redeemed plus accrued interest thereon to the date of redemption, without penalty or premium.

(B) Any redemption of the Series 2020 Bond shall be made on such Business Day as shall be specified by the Issuer in a notice delivered to the Series 2020 Bondholder not less than ten (10) days prior thereto specifying the principal amount of the Series 2020 Bond to be redeemed and the date that shall be the date of such redemption. Notice having been given as aforesaid, the amount of the outstanding principal of the Series 2020 Bond to be redeemed shall become due and payable on the date of redemption stated in such notice together with interest accrued and unpaid to the date of redemption on the principal amount then being paid. If on the date of redemption moneys for the payment of the principal amount to be redeemed on the Series 2020 Bond, together with interest to the date of redemption on such principal amount shall have been paid to the Series 2020 Bondholder as above provided, then from and after the date of redemption, interest on such redeemed principal amount of the Series 2020 Bond shall cease to accrue. If said money shall not have been so paid on the date of redemption, such principal amount of the Series 2020 Bond shall continue to bear interest until payment thereof at the then applicable Interest Rate. Any such failure to pay the redemption price shall not constitute an Event of Default under the Resolution.

(C) Notwithstanding any other provision of the Resolution, the Issuer shall not be required to provide the Series 2020 Bondholder with any notice with respect to the payment of any scheduled Sinking Fund Installment.

SECTION 7. Adjustments to Interest Rate. (A) In the event of a Determination of Taxability (as defined below) or if the Series 2020 Bond loses its designation as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code ("Loss of BQ Designation"), the Interest Rate on the Series 2020 Bond shall be adjusted (the "Adjusted Rate") in such manner as shall be determined by the Series 2020 Bondholder, absent manifest error, as shall be necessary to provide to the Series 2020 Bondholder an after-tax yield on the then outstanding principal amount of the Series 2020 Bond equal to the after-tax yield to the Series 2020 Bondholder if such Determination of Taxability or Loss of BQ Designation had not occurred, from the date such interest must be included in such gross income; provided, however, such Adjusted Rate shall never exceed the Maximum Lawful Rate. Immediately upon a Determination of Taxability or Loss of BQ Designation and in no event later than thirty (30) days after such Determination of Taxability or Loss of BQ Designation, the Issuer agrees to pay the Additional Amount to the Series 2020 Bondholder. "Additional Amount" means (i) the difference between (a) interest on the Series 2020 Bond for the period commencing on the earliest date on which the interest on the Series 2020 Bond (or portion thereof) is deemed to have lost its tax-

exempt status (which may be as early as the date of issuance of the Series 2020 Bond) and ending on the effective date of the adjustment of the Interest Rate to the Adjusted Rate (the "Prior Taxable Period") at a rate per annum equal to the Adjusted Rate and (b) the aggregate amount of interest paid on the Series 2020 Bond during the Prior Taxable Period at the Interest Rate applicable to the Series 2020 Bond prior to the adjustment to the Adjusted Rate, plus (ii) any penalties, fines, fees, costs and interest paid or payable by the Series 2020 Bondholder to the Internal Revenue Service by reason of such Determination of Taxability or Loss of BQ Designation.

For purposes of this Section 7, "Determination of Taxability" shall mean the circumstance of interest paid or payable on the Series 2020 Bond becoming includable for federal income tax purposes in the gross income of the Series 2020 Bondholder as a consequence of any act or omission of the Issuer. A Determination of Taxability will be deemed to have occurred upon (I) the receipt by the Issuer or the Series 2020 Bondholder of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other official letter or correspondence from the Internal Revenue Service which holds that any interest payable on the Series 2020 Bond is includable in the gross income of the Series 2020 Bondholder; (II) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on the Series 2020 Bond is includable in the gross income of the Series 2020 Bondholder, or (III) receipt by the Issuer or the Series 2020 Bondholder of an opinion of a Bond Counsel that any interest on the Series 2020 Bond has become includable in the gross income of the Series 2020 Bondholder for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on the Series 2020 Bond is deemed includable in the gross income of the Series 2020 Bondholder.

(B) After the occurrence of an Event of Default under Section 7.01(A) of the Resolution, from and after five (5) days following the applicable payment due date, the Interest Rate for the Series 2020 Bond shall be increased to a rate equal to the lesser of (i) then sum of then applicable Interest Rate plus 2.00% and (ii) the Maximum Lawful Rate, until such Event of Default is cured. The Series 2020 Bondholder shall give the Issuer notice of any such adjustment.

SECTION 8. Application of Series 2020 Bond Proceeds. The proceeds derived from the sale of the Series 2020 Bond shall be applied by the Issuer simultaneously with the delivery thereof as follows:

(A) A sufficient amount of the proceeds of the Series 2020 Bond, together with other legally available moneys of the Issuer, shall be paid to the holder of the Series 2015 Bond in order to redeem such Series 2015 Bond as of the date of issuance of the Series 2020 Bond.

(B) The remainder of the proceeds of the Series 2020 Bond shall be applied to the payment of costs and expenses relating to the issuance of the Series 2020 Bond and, to the extent of any remaining proceeds, to the payment of interest on the next scheduled Interest Date.

SECTION 9. No Reserve. In accordance with Section 4.05(B)(4) of the Resolution, the Reserve Account Requirement for the Series 2020 Bond shall be \$0.00 and the Series 2020 Bond shall not be secured in any manner by the Reserve Account or any subaccount therein.

SECTION 10. Transfer. The Series 2020 Bondholder's right, title and interest in and to the Series 2020 Bond and any amounts payable by the Issuer thereunder may be assigned and reassigned in whole only by the Series 2020 Bondholder, without the necessity of obtaining the consent of the Issuer; provided, that any such assignment, transfer or conveyance shall be made only to (A) an affiliate of the Series 2020 Bondholder or (B) a bank, insurance company or their affiliate, provided that any such entity is purchasing the Series 2020 Bond for its own account with no present intention to resell or distribute the Series 2020 Bond, subject to each investor's right at any time to dispose of the Series 2020 Bond as it determines to be in its best interests or (C) a "qualified institutional buyer," as defined in Rule 144A of the Securities Act of 1933, or an "accredited investor," as defined in Rule 501 of Regulation D. Upon notification by the Series 2020 Bondholder to the Issuer of the Series 2020 Bondholder's intent to assign and sell its right, title and interest in and to the Series 2020 Bond as herein provided, the Issuer agrees that it shall execute and deliver to the assignee Series 2020 Bondholder, a Series 2020 Bond in the principal amount so assigned, registered in the name of the assignee Series 2020 Bondholder, executed and delivered by the Issuer in the same manner as provided herein and with an appendix attached thereto setting forth the principal amounts to be paid on each Sinking Fund Installment date with respect to the Series 2020 Bond. In all cases of an assignment of the Series 2020 Bond, the Issuer shall at the earliest practical time enter the change of ownership in the registration books; provided, however, the written notice of assignment must be received by the City Manager at the Issuer's address set forth in Section 13 hereof no later than the close of business on the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an Interest Date in order to have such transfer recorded on the books and records of the Issuer on such next succeeding Interest Date.

Nothing contained in this Section 10 shall be interpreted to prohibit the Series 2020 Bondholder from selling participations in the Series 2020 Bond to any investors meeting the conditions set forth in the immediately preceding paragraph.

SECTION 11. Appointment of Paying Agent and Registrar. The Issuer is hereby designated as the Paying Agent and Registrar for the Series 2020 Bond. The City

Manager shall be responsible for maintaining the registration books with respect to the Series 2020 Bond and for making all required payments on the Series 2020 Bond.

SECTION 12. Reporting Financial Information. The Issuer will furnish to the Series 2020 Bondholder within 270 days after the close of each Fiscal Year a copy of the annual audited financial statements of the Issuer audited by a certified public accountant. The Issuer shall provide the Series 2020 Bondholder with a copy of the annual budget of the Issuer each year and any material amendments thereto within 60 days of the final adoption of such budget or amendments. With reasonable promptness, the Issuer shall provide such other information as may be reasonably requested by the Series 2020 Bondholder from time to time.

SECTION 13. Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or sent registered or certified mail, postage prepaid, to the City of St. Pete Beach, Florida, 155 Corey Avenue, St. Pete Beach, Florida 33706, Attention: City Manager, and to the Noteholder, Truist Bank, 5130 Parkway Plaza Boulevard, Charlotte, North Carolina 28217, Attention: Andrew G. Smith, Senior Vice President, or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

SECTION 14. Waiver of Jury Trial; Applicable Law and Jurisdiction. (A) To the extent permitted by applicable law, the Issuer knowingly, voluntarily and intentionally waives any right it may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with the Resolution, the Series 2020 Bond or any agreement contemplated to be executed in connection with the Resolution, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the Issuer or the Series 2020 Bondholder.

(B) The substantive laws of the State of Florida shall govern the Resolution, the Series 2020 Bond or any agreement contemplated to be executed in connection with the Resolution. The Issuer submits to the jurisdiction of Florida courts and federal courts and agrees that venue for any suit concerning the Series 2020 Bond, this Supplemental Resolution or the Resolution shall be in Pinellas County, Florida and the Middle District of Florida.

SECTION 15. Modification or Amendment of this Supplemental Resolution. No modification or amendment of this Supplemental Resolution or of any resolution amendatory thereof or supplemental thereto, which would have an adverse effect on the Series 2020 Bondholder may be made without the consent in writing of the Series 2020 Bondholder.

SECTION 16. Designation of the Series 2020 Bond as a Qualified Tax-Exempt Obligation. The Issuer hereby designates the Series 2020 Bond as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code. This designation is based upon the findings of the Issuer set forth in the final Whereas clause hereof and the Mayor and the City Manager are each authorized to certify such finding upon the issuance of the Series 2020 Bond.

SECTION 17. General Authority. The Mayor, the City Manager, the Assistant City Manager, the Clerk, the City Attorney, and the other 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 or the Resolution, or desirable or consistent with the requirements hereof or of the Resolution for the full, punctual and complete performance of all the terms, covenants and agreements contained herein or in the Series 2020 Bond or the Resolution and each member, employee, attorney and officer of the Issuer is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 18. Conflicts. All resolutions or parts of resolutions, in conflict herewith are hereby repealed to the extent of any conflict with this Supplemental Resolution.

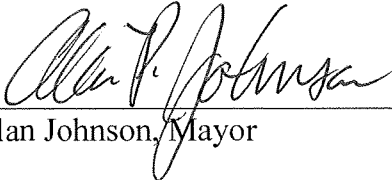
SECTION 19. Severability. The provisions of this Resolution are declared to be severable, and if any section, sentence, clause or phrase of this Resolution shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Resolution but they shall remain in effect, it being the legislative intent that this Resolution shall stand notwithstanding the invalidity of any part.

SECTION 20. Construction. This Resolution is to be liberally construed to accomplish its objectives.

SECTION 21. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED AND APPROVED BY THE CITY COMMISSION OF THE CITY OF ST. PETE BEACH, FLORIDA, THIS 13TH DAY OF OCTOBER, 2020.

CITY COMMISSION, CITY OF ST.
PETE BEACH, FLORIDA



Alan Johnson, Mayor

ATTEST:



Amber LaRowe, City Clerk

APPROVED AS TO LEGAL FORM AND CORRECTNESS:



Andrew Dickman, City Attorney

EXHIBIT A

PROPOSAL OF TRUIST BANK



Governmental Finance

5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217
Phone (704) 954-1700
Fax (704) 954-1799

September 1, 2020

Ms. Lourdes Abadin
Estrada Hinojosa & Company, Inc.

Re: City of St. Pete Beach, FL

Dear Ms. Abadin:

Truist Bank ("Lender") is pleased to offer this proposal for the financing requested by the City of St. Pete Beach, FL ("Borrower").

PROJECT: Wastewater Revenue Bond

AMOUNT: \$4,157,000.00

TERM: 15 years

INTEREST RATE: 1.89%

TAX STATUS: Tax Exempt – Bank Qualified

PAYMENTS: Interest: Annual
Principal: Annual

**INTEREST RATE
CALCULATION:** 30/360

SECURITY: Pledge of revenues derived from the Borrower's Sewer System

**PREPAYMENT
TERMS:** Prepayable in whole at any time with a one percent prepayment penalty. As an alternative, the Borrower may elect to have the transaction be non-callable for the first half of the term, then prepayable in whole without penalty.

**RATE
EXPIRATION:** October 30, 2020

**DOCUMENTATION/
LEGAL REVIEW
FEE:** \$7,500

FUNDING: The financing shall be fully funded at closing and allow for a maximum of four funding disbursements in the form of wires or checks.

DOCUMENTATION: It shall be the responsibility of the Borrower to retain and compensate counsel to appropriately structure the financing documents according to Federal and State statutes. Documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable or non-bank qualified in accordance with the Internal Revenue Code. These provisions must be acceptable to Lender. In the event of default, any amount due, and not yet paid, shall bear interest at a default rate equal to the interest rate on the Wastewater Revenue Bond plus 2% per annum from and after five (5) days after the date due.

Lender shall also require the Borrower to provide an unqualified bond counsel opinion, a no litigation certificate, and evidence of IRS Form 8038 filing. Lender and its counsel reserve the right to review and approve all documentation before closing. Lender will not be required to present the bond for payment.

REPORTING

REQUIREMENTS: Lender will require financial statements to be delivered within 270 days after the conclusion of each fiscal year-end throughout the term of the financing or in accordance with state requirements.

Lender shall have the right to cancel this offer by notifying the Borrower of its election to do so (whether this offer has previously been accepted by the Borrower) if at any time prior to the closing there is a material adverse change in the Borrower's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Borrower or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to Lender.

Costs of counsel for the Borrower and any other costs will be the responsibility of the Borrower.

The stated interest rate assumes that the Borrower expects to borrow no more than \$10,000,000 in the current calendar year and that the financing will qualify as qualified tax-exempt financing under the Internal Revenue Code. Lender reserves the right to terminate this bid or to negotiate a mutually acceptable interest rate if the financing is not qualified tax-exempt financing.

We appreciate the opportunity to offer this financing proposal. Please call me at (803) 251-1328 with your questions and comments. We look forward to hearing from you.

Sincerely,

Truist Bank



Andrew G. Smith
Senior Vice President