



Branch Banking & Trust Company

Governmental Finance

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May 21, 2021

Ms. Marlena Guthrie
City of Green Cove Springs, FL
321 Walnut St.
Green Cove Springs, FL 32043

Dear Ms. Guthrie:

Truist Bank (“Lender”) is pleased to offer this proposal for the financing requested by the City of Green Cove Springs, FL (“Borrower”).

PROJECT: Electric Utility Revenue Refunding Note, Series 2021

AMOUNT: \$9,800,000.00

MATURITY DATE: July 1, 2033

INTEREST RATE: 1.89%

TAX STATUS: Tax Exempt – Bank Qualified

PAYMENTS: Interest: Semi-Annual
Principal: Annual

INTEREST RATE CALCULATION: 30/360

SECURITY: Pledge of net revenues derived from the Borrower’s Electric Utility System.

PREPAYMENT TERMS: Prepayable in whole at any time with a one percent prepayment penalty. As an alternate redemption provision, the Borrower may elect for the transaction to be non-callable for the first half of the term and callable at par thereafter.

DEBT SERVICE COVERAGE/ ABT: 1.20x

RATE EXPIRATION: July 5, 2021

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 Electric Utility Revenue Refunding Note, Series 2021 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) 413-4991 with your questions and comments. We look forward to hearing from you.

Sincerely,

Truist Bank



Andrew G. Smith
Senior Vice President