

November 4, 2020

Ms. Cindy King
Director of Finance and Administration
City of Gulf Shores
P.O. Box 299
Gulf Shores, AL 36547

Re: City of Gulf Shores, Alabama

Dear Cindy:

Truist Bank ("Lender") is pleased to offer this proposal for acceptable changes requested by the City of Gulf Shores, Alabama ("Borrower") to the structure of Borrower's \$13,500,000 General Obligation Taxable Warrant, Series 2016-B.

OBLIGATION: General Obligation Taxable Warrant, Series 2016-B (the "Warrant")

AMOUNT: Up to \$13,500,000 may be advanced. However, for the 12-month period beginning December 1, 2020 and ending November 30, 2021, \$19,500,000 may be advanced. Should the outstanding amount of the Warrant on November 30, 2021 exceed \$13,500,000, Borrower shall immediately pay to Lender an amount that causes the outstanding amount of the Warrant to be no greater than \$13,500,000; Borrower's failure to make such payment in full shall constitute an event of default under the Warrant.

MATURITY DATE: June 15, 2026 (no change)

FIXED INTEREST RATE OPTION: 1.98%

VARIABLE INTEREST RATE OPTION: The greater of Daily Secured Overnight Financing Rate ("SOFR") or 0.50%, plus a spread of 1.36%. As of today, Daily SOFR is 0.11%, so your effective variable rate would be 1.86%, initially.

RATE EXPIRATION ACCEPTANCE: November 30, 2020

LEGAL REVIEW FEE: \$2,500

DOCUMENTATION: It will be the responsibility of Borrower to retain and compensate counsel to appropriately structure the amendments to the financing documents contemplated by this proposal letter. These provisions must be acceptable to Lender. Lender will require Borrower to provide an unqualified bond counsel opinion and a no litigation certificate. Lender and its counsel reserve the right to review and approve all documentation before closing.

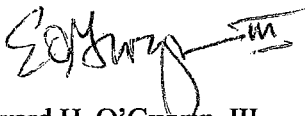
Lender shall have the right to cancel this offer by notifying Borrower of its election to do so (whether this offer has previously been accepted by Borrower) if at any time prior to the closing there is a material adverse change in Borrower's financial condition, if we discover adverse circumstances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

We appreciate the opportunity to offer this financing proposal. Please call me at (251) 340-8706 with your questions and comments. We look forward to hearing from you.

Sincerely,

Truist Bank

A handwritten signature in black ink, appearing to read "E. O'Gwynn, III", with a horizontal line extending to the right.

Edward H. O'Gwynn, III
Senior Vice President

Accepted by:

City of Gulf Shores

Cindy King
Director of Finance and Administration