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CITY OF GULF SHORES, ALABAMA

New Money \$150,000,000

Full Term, No Put, Borrower's Par Call Option on or after 3/15/2032

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DISCLAIMER REPORT

CITY OF GULF SHORES, ALABAMA

New Money \$150,000,000

Full Term, No Put, Borrower's Par Call Option on or after 3/15/2032

MUNICIPAL ADVISOR DISCLOSURE

This analysis and any rates utilized herein have been provided by BB&T/SunTrust now Truist solely for illustrative purposes. BB&T/SunTrust now Truist is not recommending an action or providing advice to the Borrower and is not acting as a municipal advisor or financial advisor.

BOND SUMMARY STATISTICS

CITY OF GULF SHORES, ALABAMA

New Money \$150,000,000

Full Term, No Put, Borrower's Par Call Option on or after 3/15/2032

Dated Date	03/15/2022
Delivery Date	03/15/2022
Last Maturity	03/15/2042
Arbitrage Yield	2.340000%
True Interest Cost (TIC)	2.340000%
Net Interest Cost (NIC)	2.340000%
All-In TIC	2.340000%
Average Coupon	2.340000%
Average Life (years)	11.266
Weighted Average Maturity (years)	11.266
Duration of Issue (years)	9.670
Par Amount	150,000,000.00
Bond Proceeds	150,000,000.00
Total Interest	39,544,947.00
Net Interest	39,544,947.00
Total Debt Service	189,544,947.00
Maximum Annual Debt Service	9,480,099.00
Average Annual Debt Service	9,477,247.35
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount

Bid Price 100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
20 Year Amortization, No Put	150,000,000.00	100.000	2.340%	11.266	238,500.00
	150,000,000.00			11.266	238,500.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	150,000,000.00	150,000,000.00	150,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	150,000,000.00	150,000,000.00	150,000,000.00
Target Date	03/15/2022	03/15/2022	03/15/2022
Yield	2.340000%	2.340000%	2.340000%

BOND DEBT SERVICE

CITY OF GULF SHORES, ALABAMA

New Money \$150,000,000

Full Term, No Put, Borrower's Par Call Option on or after 3/15/2032

Period Ending	Principal	Coupon	Interest	Debt Service
03/15/2023	5,970,000	2.340%	3,510,000	9,480,000
03/15/2024	6,105,000	2.340%	3,370,302	9,475,302
03/15/2025	6,250,000	2.340%	3,227,445	9,477,445
03/15/2026	6,395,000	2.340%	3,081,195	9,476,195
03/15/2027	6,545,000	2.340%	2,931,552	9,476,552
03/15/2028	6,700,000	2.340%	2,778,399	9,478,399
03/15/2029	6,855,000	2.340%	2,621,619	9,476,619
03/15/2030	7,015,000	2.340%	2,461,212	9,476,212
03/15/2031	7,180,000	2.340%	2,297,061	9,477,061
03/15/2032	7,350,000	2.340%	2,129,049	9,479,049
03/15/2033	7,520,000	2.340%	1,957,059	9,477,059
03/15/2034	7,695,000	2.340%	1,781,091	9,476,091
03/15/2035	7,875,000	2.340%	1,601,028	9,476,028
03/15/2036	8,060,000	2.340%	1,416,753	9,476,753
03/15/2037	8,250,000	2.340%	1,228,149	9,478,149
03/15/2038	8,445,000	2.340%	1,035,099	9,480,099
03/15/2039	8,640,000	2.340%	837,486	9,477,486
03/15/2040	8,840,000	2.340%	635,310	9,475,310
03/15/2041	9,050,000	2.340%	428,454	9,478,454
03/15/2042	9,260,000	2.340%	216,684	9,476,684
	150,000,000		39,544,947	189,544,947



SouthState
NON-BINDING PROPOSAL

February 10, 2022

City of Gulf Shores, Alabama
1905 W 1st Street
Gulf Shores, AL 36547

Dear Mayor Craft,

Based on financial statements and other information submitted by you, SouthState Bank (“Bank”) is pleased to extend to you the following non-binding proposal (the “Proposal”) under the terms and conditions listed below:

TERMS AND CONDITIONS OF THIS PROPOSAL

Borrower: City of Gulf Shores, Alabama (Borrower/City)

Amount: Up to \$47,000,000.

Loan/Facility: The first 2 years will be a draw phase which will expire 2 years after the contract date, with the principal balance at the end of year 2 amortized over the remaining 18 years. The loan is anticipated to close within 30 days and is considered a Non-Bank Qualified Tax-Exempt loan and a General Obligation for the City of Gulf Shores

Purpose: The funds to be used for the construction of the Justice Center, Fire Training Tower, Oyster Bay Fire Station, Airport Fire Station, the Coastal Gateway Park, and public improvement projects and transportation projects.

Term: Not to exceed 20 years

Amortization: Final 18 years will be principal and interest payments

Payments: Semi-annual interest only payments for first 2 years, with semi-annual principal and interest payments beginning in year 3 and continuing until maturity. Payment due dates to be determined prior to closing.

Interest Rate: 20 years fixed rate at 2.40% Non-Bank Qualified Tax-Exempt. Provided the loan is closed by March 15th, 2022.

Collateral: General Obligation secured with the full faith and credit of the City of Gulf Shores



SouthState

NON-BINDING PROPOSAL

OTHER TERMS AND CONDITIONS

Prepayment Fee: If all or a portion of the 2022 Note is redeemed within the first seven years from the delivery date, there shall be a prepayment fee of 1.0% of the amount being prepaid. If after the seventh year, the 2022 Note may be redeemed in whole or in part without a prepayment fee. All prepayments shall be applied in inverse order of maturity, treating amortization installments as maturities.

Late Fees: Bank may, at its option collect from the Borrower a late charge of five percent (5.00%) of any payment not received by Bank within ten (10) days after the payment is due.

Event of Default: Upon an event of default, the Bank may recover from the Borrower all expenses incurred including without limitation reasonable attorney's fees, at all levels of the proceedings, whether incurred in connection with collection, bankruptcy, proceedings, trial, appeal or otherwise.

Default Rate: 3% above the current Note rate

Covenants:

- 1) Audited Annual Financials within 270 days of fiscal year end and the City Budget within 60 days of adoption shall be provided to the Bank by the Borrower
- 2) Borrower shall provide such other financial information from time to time as is reasonably requested by the Bank
- 3) The City agrees to take such actions as may be required in order to maintain the status of the loan as a tax-exempt obligation. In the event the loan is not considered Tax Exempt as result of any action or inaction of the City, the Bank reserves the right to increase the interest rate (see "Interest Rate" above) to the taxable rate equivalent.

Expenses: The Borrower's legal counsel will prepare and provide all related transaction documents and an approving legal opinion with respect to the validity of the obligation which will be at the Borrower's expense and subject to Bank approval. If Bank's legal counsel prepares the loan documents, the expense will be paid by the Borrower. The Bank will use its legal counsel to review the documents at the Borrower's expense.

Additional Conditions:

1. Borrower agrees to close the existing \$15 million line of credit held at SouthState Bank prior to the close of this transaction.
2. Formal approval and authorization from the City of Gulf Shores
3. Bank's legal counsel to review loan documents and approve said documents
4. City of Gulf Shores will pay all closing costs

Acceptance: This Proposal must be signed and returned to the Bank by February 22nd, 2022, otherwise, this offer is withdrawn.

Closing Date: The Bank's obligations under this Proposal shall terminate on March 15th, 2022, if: (1) the loan is not closed by that date, unless extended in writing by you and the Bank; or (2) if you fail to comply with the terms and conditions of this proposal; or (3) if you fail to provide information or documents required by the Bank.

Other

Documents: The provisions of this Proposal letter are intended to serve only as a general outline of the terms and conditions under which the Bank will make the loan. The documentation to be executed in connection with the loan shall be prepared or approved by the Bank and/or counsel, shall contain



SouthState

NON-BINDING PROPOSAL

such terms and conditions as the Bank deems necessary or desirable, and shall include, without limitation, a Promissory Note, a Loan Agreement, and any other documents deemed appropriate by the Bank or counsel. The cost of the preparation of all documents shall be paid by the Borrower.

Miscellaneous: You understand that the Bank's issuance of this Proposal is based on the accuracy of your representations, statements, and all additional exhibits or other matter submitted to the Bank, and that the Bank shall have the option to terminate its Proposal by written notice if there has been any misrepresentation or misstatement or any error in the factual data, or if, prior to disbursement of Bank funds: (i) there has been a material adverse change in the state of facts indicated therein, or (ii) there has been substantial damage to the Collateral, or (iii) the Borrower has become insolvent, bankrupt, or incapacitated.

This Non-Binding Proposal is solely and exclusively intended to serve as a summary of potential credit facility terms and conditions as a basis for preliminary discussion purposes only and to demonstrate SouthState Bank's interest in reviewing your loan request and, subject to SouthState Bank's underwriting requirements, and submission of your request for approval. This proposal may not include all of the terms and provisions that may be contained in any binding commitment letter which may later be offered to you. No oral communications between parties shall be deemed to supersede this Non-Binding Proposal or indicate any commitment to extend credit in any form.

SouthState Bank, N.A. (SSB) is nationally chartered commercial banking institution. Neither SSB or its representatives are acting as registered municipal advisors to the City of Gulf Shores, AL (City) on the proposed transaction. With regard to any loan(s) contemplated to be made to the City, the City acknowledges that SSB would be making the loan(s) as a privately negotiated transaction and that such loan(s) shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with the Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned a CUSIP number. SSB acknowledges that it would be purchasing the loan for its own purposes without the intent to sell or trade, it is in the business of making loans and understands the risks associated with making such loan(s) and that it has performed its own review and due diligence with regard to determining the specific risks represented herein.

SouthState Bank wishes to thank you for the opportunity to issue this Proposal. We look forward to the closing of this transaction. Please sign, date, and return this original to indicate your acceptance.

Sincerely,



Wade Bradford
Regional President

AGREED AND ACCEPTED THIS _____ DAY OF _____, 20____.

City of Gulf Shores

By: _____
Robert Craft, Mayor