



September 3, 2025

Recommendation Memorandum

To: Todd Hutchison, Chief Deputy Comptroller
From: PFM Financial Advisors LLC
Re: Public Improvement Revenue Bond, Series 2025 – Recommendation Memorandum

PFM Financial Advisors LLC (“PFM”) was engaged by Alachua County (“Alachua” or the “County”) to serve as municipal advisor for the County’s proposed issuance of a directly placed Public Improvement Revenue Bond, Series 2025 (the “2025 Bond”) in an amount not to exceed \$85,500,000 to provide the County with funding for capital improvements related to the Civil Courthouse Complex project and pay issuance costs. The 2025 Bond is payable solely from and secured solely by a pledge of and lien upon Sales Tax Revenues and will be issued on parity with Alachua’s Series 2014 and Series 2015B Bonds under and pursuant to the County’s Bond Resolution. Based on current market conditions, desire to move in an expedited manner, and reduced cost of issuance, PFM recommended the County pursue a directly placed direct bank loan, which in today’s market was expected to be an efficient and cost-effective method of financing. All County debt currently outstanding is privately placed with a bank.

At the County’s direction, PFM distributed a request for proposals (“RFP”) on June 24, 2025. The RFP was sent to a list of local, regional and national financial institutions to identify an institution that could provide the County with a fixed rate term loan at the lowest overall borrowing cost, pursuant to certain conditions as determined by the County. Prior to the submittal deadline (2:00 pm on August 6, 2025) the County received seven (7) proposals from the following firms: Bank of America, Capital One, JPMorgan Chase, Pinnacle, TD Bank, Truist and Webster. A summary of each proposal is included as **Exhibit A**.

Upon initial review and discussion with County Staff and Bond Counsel, it was determined that TD Bank provided interest rates and terms favorable to the County. Capital One offered a fully amortizing 30-year loan with call flexibility starting in year 5, at an interest rate of 4.79%. Several banks proposed a 30-year loan with a shorter put option to be exercised at the discretion of the lender, which would effectively serve as either a repricing (with the same bank) or remarketing (with a new bank) at the put date (if not before using prepayment flexibility). TD Bank offered the most attractive combination of interest rates and conditions, with two options for put dates with both allowing for prepayment flexibility. For a 10-year put the rate provided was 3.66%, and for the 15-year put the rate provided was 3.80%. Prepayment flexibility came at an additional cost of 17 bps for the 10-year put option and 15 bps for the 15-year put option. Therefore, rates including favorable prepayment flexibility were 3.83 (10-yr put) and 3.95% (15-year put).



Alternatively, Capital One offered a fully amortizing 30-year loan with call flexibility starting in year 5, at an interest rate of 4.79%. The savings between Capital One and the TD Bank options are significant, approximately \$105,000 for each 1 bps (0.01%) difference in yield. The interest rate benefit of 84 bps (0.84%) for the 15-year put and 96 bps (0.96%) for the 10-year put results in present value savings on an \$85.5 million 30-year financing of \$8.8 million (15-year put) and \$10.1 million (10-year put).

Based on PFM's analysis and final review and discussion with County staff and Bond Counsel, it was determined that TD Bank's proposed interest rate of 3.95% on a 15-year put with full prepayment flexibility offered both savings and flexibility most favorable to the County. The fixed interest rate will be held until closing, which eliminates the risk of rising interest rates between the proposal submittal date and closing date.

Based on the competitive bid offered by TD Bank, included as **Exhibit B**, we recommend moving forward with TD Bank's proposal and negotiating final deal terms with the bank. We look forward to closing this financing by September 30th.



Exhibit A

Summary of Proposals

**Alachua County, Florida
Public Improvement Revenue Note, Series 2025**

	Bank of America, N.A.	Capital One	JPMorgan Chase Bank, N.A.	Pinnacle Bank
Contact Information	Brooks Scurry 620 S. Tryon Street, 25th Floor Charlotte, NC 28255 980-386-5452 r.b.scurry@bofa.com	Mark Brown 501-366-2387 mark.brown3@capitalone.com	Dominic D'Amato 450 S. Orange Ave, Floor 10 Orlando, FL, 32801 407-236-5440 Dominic.damato@jpmorgan.com	Lisa Hayes Jacksonville, Florida 904-752-9828 lisac.hayes@pnfp.com
Not-to-Exceed Amount	\$85,500,000	\$85,500,000	Option A: \$85,500,000; This is an 'all or nothing' bid. Option B: \$28,932,000 - balance in years 16-30 would be financed through a public offering	\$19,000,000
Final Maturity	November 1, 2035	November 1, 2055	Option A: November 1, 2035 Option B: November 1, 2040	November 1, 2055
Tax-Exempt Interest Rate(s)	3.94% *Rate is Indicative	4.79%	<u>Option A - 10 Year:</u> Make Whole - 4.00% 1-Year - 4.75% 3-Year - 4.37% 5-Year - 4.17% 7-Year - 4.05% <u>Option B: 15 Year</u> Make Whole - 4.27% 1-Year - 5.12% 3-Year - 4.80% 5-Year - 4.62% 7-Year - 4.47% 10-Year - 4.38% *All Rates are Fixed	<u>Option 1:</u> 30-Year (10-Year Put Option): 3.93% <u>Option 2:</u> 30-Year (15-Year Put Option): 4.19%
Rate Set Calculation	Rate above is indexed to the fixed rate for a 101-month interest rate swap with daily SOFR as the floating rate, plus a Credit Spread of 0.36%	Fixed rate through the final maturity date of 11/01/2055 with one or more amortizing terms set by COPF with an approximate average life of 18.9 years	N/A	TE NBQ Rate
Rate Locked to Closing, or Date to be Set	Rate is indicative as of August 5, 2025; actual Interest Rate will be determined 2 business days prior to closing	The rate may be subject to change if the Loan is not closed by October 2, 2025	Rates are indicative as of August 6, 2025 and are subject to change daily until commitment letter and rate lock letter executed by Issuer	Interest rate shall be held through October 2, 2025.
Prepayment Provisions	Prepayable in whole, or in part, on any date with 14 days written notice, by payment of an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of prepayment plus a Make-Whole Redemption Premium.	75 days after Closing through November 1, 2030: Option for partial prepayment, without penalty on any date, with 30 days' notice, under the following conditions: (i) in a maximum amount of \$75,000,000; (ii) once per calendar year; and (iii) any such prepayment is applied to outstanding principal in inverse order of maturity. All prepayments made under this partial prepayment provision (whether exercised once or in multiple installments across multiple years) shall not exceed \$75,000,000 in aggregate. On and after November 1, 2030: Callable in whole or in part, at par plus accrued interest to the date of redemption, provided that: (i) the Borrower must give 30 days' notice; (ii) calls in part shall be applied to outstanding principal in inverse order of maturity; and (iii) calls in whole shall be redeemed with 95% of the principal amount redeemed on a date selected by the Borrower, and the remaining 5% of the principal amount shall be redeemed on a date at least 60 days after.	<u>Option A - 10-Year Optional Redemption Dates:</u> Make Whole - 4.00% 1-Year - 4.75% 3-Year - 4.37% 5-Year - 4.17% 7-Year - 4.05% <u>Option B: 15-Year Optional Redemption Dates:</u> Make Whole - 4.27% 1-Year - 5.12% 3-Year - 4.80% 5-Year - 4.62% 7-Year - 4.47% 10-Year - 4.38% *Prepayments are subject to breakage costs payable by the Borrower, unless an Optional Redemption option is selected.	Prepayable in whole or in part, with 30 days notice to the Lender. Any partial prepayment of the Bond shall be applied in inverse order of scheduled maturities. Prepayment will incur a prepayment fee of: - 1% if prepaid before the end of the 2nd anniversary of the Note; - 0.5% if prepaid after 2nd anniversary but before the 4th anniversary of the Note; - 0% if prepaid thereafter
Bank Counsel Fee (Other Fees)	Estimated at \$15,000; Capped at \$20,000.	COI is \$7,500; Bank is responsible for the costs of its own lender counsel costs	\$10,000	\$10,500
Notes & Other Conditions	(i) Default Rate: Interest Rate plus 5.0% per annum (ii) The Bank may, among other things, accelerate the loan, cause the Default Rate to apply to all outstanding obligations of the Borrower to the Bank and pursue any other remedies to which it is entitled under the Credit Agreement, at law or in equity.	n/a	(i) Default Rate: the then-applicable interest rate + 4.00% (ii) If the interest payable on the Note becomes taxable, the interest rate will increase from the effective date of such taxability to a taxable equivalent rate. The Purchaser will not require any adjustment to the Interest Rate for (i) changes to the regulatory environment or required regulatory capital, or (ii) changes to the Purchaser's marginal corporate tax rate or (iii) changes due to a decline in the Issuer's public bond rating.	(i) Default Rate: the lesser of (i) 4.0% in excess of the rate of interest charge prior to the occurrence of the event of default, or (ii) the maximum allowed rate by law. If acceleration is not a remedy the restated default rate shall be increased to the maximum allowed rate and the documents shall contain a covenant assuring Lender that if other bondholders have acceleration rights Lender will have the same acceleration rights. (ii) Transaction will be at no cost to Lender. Lender will not charge an origination fee. Any third-party fees or expenses incurred by the Lender, including, without limitation, any closing costs and Lender's Counsel fees, shall be borne and paid by the Borrower whether the note is closed.
Term Sheet Expiration	October 10, 2025	August 8, 2025	September 6, 2025	August 15, 2025



**Alachua County, Florida
Public Improvement Revenue Note, Series 2025**

	TD Bank, N.A.	Truist Bank	Webster Bank
Contact Information	Robert W. Catoe 2307 West Kennedy Boulevard Tampa, FL 33609 813-250-3069 robert.catoe@td.com	Brian T. Gibson 1200 Riverplace Blvd, Floor 5 Jacksonville, FL 32207 904-885-2384 brian.gibson2@truist.com	Mark A. Cargo Concord, NC 28027 704-287-4493 mcargo@websterbank.com
Not-to-Exceed Amount	\$85,500,000	\$85,500,000: Series 2025A - \$43,822,000 Series 2025B - \$41,678,000	\$85,500,000
Final Maturity	November 1, 2055	November 1, 2055	11/1/2040 or 2045
Tax-Exempt Interest Rate(s)	<p align="center"><u>Option A:</u> 30-Year (10-Year Put Option*): 3.66%</p> <p align="center"><u>Option B:</u> 30-Year (15-Year Put Option*): 3.80%</p> <p>*10-year / 15-year Anniversary Put Date - automatically callable by the Bank at the end of year 10 for Option A or year 15 for Option B, unless the Borrower provides notice to the Bank at least 90 days prior to the Call Option date requesting that the Bank not exercise this option, in which case the Bank's option to call shall be in its sole discretion.</p>	<p align="center">2025A & 2025B: Maturity Date of November 1, 2030** - 3.65% Maturity Date of November 1, 2032** - 3.95% Maturity Date of November 1, 2035 - 4.20%</p> <p>**These are Put Dates. Upon each Put Date, the Lender, has the right to "put" the Notes to Borrower. Lender may give written notice to Borrower not later than 120 days prior to such put date that it will, in its sole discretion, extend the term for an additional 5 or 3 year period, respectively (depending on the option selected); provided further, that the failure to give any notice shall mean that the term has not been extended and Borrower shall be obligated to pay or purchase the Note in full on such put date.</p>	<p align="center"><u>Option A:</u> 30-year amortization (10-year Put) - 4.10%</p> <p align="center"><u>Option B:</u> 30-year amortization (15-year Put) - 4.40%</p> <p align="center"><u>Option C:</u> 30-year amortization (20-year Put) - 4.60%</p> <p>Borrower shall make Note payments as set forth in the RFP and in Exhibits A, B, & C. The 20 year amortization can be adjusted as long as the average life is equal to or less than 15 years and the principal payments commence on 11/1/26 as indicated</p>
Rate Set Calculation	Indicative Fixed rate as of August 6, 2025	N/A	N/A
Rate Locked to Closing, or Date to be Set	Rates held through expected Closing Date of November 4, 2025	This rate is available through October 28, 2025; in the event the Note is funded during the Rate Lock Period, the Rate will become the effective interest rate for the Note even if market interest rates are lower than the Rate at the time the Note is funded.	Rates will expire if the Note is not funded by October 2, 2025
Prepayment Provisions	<p align="center"><u>Option A:</u> At the time of any full or partial prepayment, (i) A "Yield Maintenance Fee" in an amount computed as follows shall apply:</p> <p align="center"><u>Option B - No Prepayment Penalty:</u> Borrower can elect to have a "No Prepayment" penalty by adding a premium of 17 bps for the 10 year option and 15 bps for the 15 year option to the quoted proposed Loan Rate.</p>	Prepayable by payment of an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of prepayment plus a Make-Whole Redemption Premium.	Prepayable in whole (or in part subject to mutually agreed upon parameters), on any payment date by paying the Principal Balance plus any outstanding interest due, with at least 30 days prior written notice. The Redemption Price, as a percentage of the then-outstanding Note balance, shall be equal to: <p align="center">Exhibit A: Closing to 10/31/2030: No Call On or after 11/1/2030: 100%</p> <p align="center">Exhibit B: Closing to 10/31/2030: No Call 11/1/2030 to 10/31/2032: 100.5% On or after 11/1/2032: 100%</p> <p align="center">Exhibit C: Closing to 10/31/2030: No Call 11/1/2030 to 10/31/2033: 100.5% On or after 11/1/2033: 100%</p>
Bank Counsel Fee (Other Fees)	Upfront Fee - 5 bps (\$42,750) Bond Counsel - \$12,500	\$12,500	NTE \$25,000; COI incurred by Borrower, such as Note counsel fees, are payable by Borrower and may be capitalized into the Note upon request.
Notes & Other Conditions	(i) If any payment due the Bank is more than 15 days overdue, a late charge of 6% of the overdue payment shall be assessed. (ii) Default Rate: 6% points in excess of the Prime Rate; Prime Rate shall have a floor of 3%	(i) Default Rate: Prime + 3% (ii) If acceleration is not a remedy the restated default rate shall be increased to the lesser of 18% or the maximum allowed rate by law, and the documents shall contain a covenant assuring Lender that if other bondholders have acceleration rights Lender will have the same acceleration rights	n/a
Term Sheet Expiration	September 23, 2025	August 20, 2025	August 8, 2025



Exhibit B
TD Bank Proposal



TD Bank, N.A.
2307 West Kennedy Boulevard
Tampa, FL 33609
Tel: 813-250-3069
Fax: 813-258-5622
Robert.Catoe@td.com

August 6, 2025

Todd Hutchinson
Alachua County, Florida
Budget and Fiscal Services
12 SE 1st Street
Gainesville, FL 32601

RE: Alachua County, FL, Capital Improvement Revenue Loan, Series 2025

Dear Mr. Hutchinson:

In response to the Request for Proposal for the Alachua County, Florida – \$85,500,000 Non-Bank Qualified Tax-Exempt Public Improvement Revenue Note, Series 2025, TD Bank, N.A. (the “Bank”) is pleased to submit the following proposal to the Alachua County, Florida (the “County”).

The structure of the proposed Credit Accommodation is outlined in the attached term sheet which provides a statement of suggested terms, but under no circumstance shall such statement be construed as a complete summarization of terms necessary for consummation of the proposed Credit Accommodation. PLEASE NOTE THIS PROPOSAL IS SUBJECT TO FORMAL CREDIT REVIEW AND UNDERWRITING IN ACCORDANCE WITH THE BANK’S INTERNAL POLICY AND NOTHING HEREIN SHALL CONSTITUTE A BINDING COMMITMENT TO LEND. Further, we expressly advise you that the Bank has not approved the Credit Accommodation. The Bank shall not be liable to the County or any other person for any losses, damages or consequential damages which may result from the County’s reliance upon this proposal letter or the proposed Credit Accommodation, the proposed term sheet or any transaction contemplated hereby.

The Bank’s Loan Proposal is subject to acceptance by the County prior to 3:00 pm eastern standard time on September 23, 2025 and is contingent upon a Loan Closing with mutually acceptable documents between the County and Bank prior to 3:00 pm eastern standard time on September 30, 2025.

This letter is delivered to you on the condition that its existence and its contents will not be disclosed without our prior written approval, except (i) as may be required to be disclosed in any legal proceeding or (ii) as may otherwise be required by law and on a confidential and “need to know” basis, to your directors, officers, employees, advisors and agents.

We appreciate this opportunity and are delighted to provide this Loan Proposal. We look forward to working with you to successfully complete this transaction. My contact information is noted above.

Very truly yours,

TD BANK, N.A.

By: 
Robert W. Catoe
Vice President

TD Bank, N.A.
TERMS AND CONDITIONS OF CREDIT ACCOMMODATION DATED
August 6, 2025("Loan")

THIS IS A STATEMENT OF TERMS AND CONDITIONS AND NOT A COMMITMENT TO LEND. ALL CREDIT ACCOMMODATIONS ARE SUBJECT TO FORMAL CREDIT UNDERWRITING AND APPROVAL.

1. **Loan**

- a) **Borrower(s):** Alachua County, Florida (the "County")
- b) **Facility:** Non-Bank Qualified Public Improvement Revenue Note, Series 2025
- c) **Purpose:** Proceeds will be used to (i) finance various public improvements in Alachua County, to include a civil courthouse, parking garage and a chiller plant and (ii) pay costs of issuance.
- d) **Amount:** Not to exceed \$85,500,000 USD
- e) **Collateral:** The payment of the principal of or redemption price, if applicable, and interest on the 2025 Note shall be secured forthwith equally and ratably by a pledge of and lien upon (1) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, and (2) the Sales Tax Revenues (as defined in the Resolution), all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"). The lien upon and pledge of the Pledged Funds is on a parity with that of the Issuer's Public Improvement Revenue Refunding Note, Series 2015B, its Public Improvement Revenue Refunding Note, Series 2016, its Public Improvement Revenue Note, Series 2017 and with any Additional Bonds issued pursuant to the Bond Resolution.
- f) **Settlement Date:** On or Before September 30, 2025
- g) **Maturity:** November 1, 2055
- h) **Put Option** **15 Year Put** - The Loan will be subject to a 15-year Anniversary Put Date – whereby the Facility shall be automatically callable by the Bank at the end of year 15, unless the Borrower provides notice to the Bank at least 90 days prior to the Call Option date requesting that the Bank not exercise this option, in which case the Bank's option to call shall be in its sole discretion.
- i) **Repayment Terms:** Interest on the 2025 Loan will be paid semi-annually (May 1 and November 1), commencing on May 1, 2026 based upon a 30/360 day basis.
- Principal on the 2025 Loan will be paid annually (November 1), with final maturity November 1, 2055 and commencing on November 1, 2026 in accordance with the Amortization Schedule attached in Appendix A.

- i) **Interest Rate:** **15 Year – Tax-Exempt Fixed Rate:**
The Indicative Fixed rate as of August 6, 2025 is **3.80%**
- Bank will hold the interest rate for the Loan Facility for Borrower through the expected Closing Date of November 4, 2025, if Borrower confirms for the Bank, within two (2) business days of proposal submission date and the rate is still available, that the Bank will be recommended as the financial provider for the requested facility along with prepayment option being selected.
- j) **Upfront Fee:** 5 Basis Points (\$42,750)
- k) **Prepayment Provision:** **No Prepayment Penalty:** Borrower can elect to have a "No Prepayment" penalty associated with the Loan by adding a premium of **15 basis points for the 15 year option** to the quoted proposed Loan Rate.
- Payments under any options will be applied in inverse order of scheduled maturity or amortization.
- l) **Default Rate of Interest:** The "default rate of interest" shall be six (6) percentage points in excess of the Prime Rate as quoted in the Wall Street Journal. Prime Rate shall have a floor of 3%
- Events of Default:** Will include but not be limited to:
1. Breach of representation or warranties
 2. Violation of covenants
 3. Bankruptcy or insolvency
 4. Payment Default
- m) **Late Charges:** If any payment due the Bank is more than fifteen (15) days overdue, a late charge of six percent (6%) of the overdue payment shall be assessed.

2. **Fees and Expenses:** The Borrower shall pay to the Bank on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Bank in connection with the loan. The County's bond counsel will provide documentation associated with this transaction. Documentation will be subject to the review and approval of the Bank and the Bank's counsel. The County agrees to pay all legal fees and expenses of the Bank associated with the review and closing of this transaction, which costs may be paid with proceeds of the Loan with a not to exceed \$12,500.00. Bank's counsel shall be the following:

Michael Wiener
Holland & Knight LLP
100 North Tampa Street, Suite 4100
Tampa, FL 33602
(863)499-5362

3. **Financial Reporting:**

a) ***Borrower(s) shall furnish the following financial reports:***

<u>Type of Report(s)</u>	<u>Frequency</u>	<u>Due Date</u>
<i>Audited Financial Statements</i>	Annually	Within 270 days after the end of the fiscal year
<i>Annual Budget</i>	Annually	Within 60 days after its adoption

The Bank reserves the right to request reasonable additional financial information to supplement or verify certain financial assumptions or verify the creditworthiness of the Borrower.

4. **Legal Opinion:**

Prior to closing, there shall be delivered to the Bank an opinion of Bond Counsel acceptable to the Bank covering matters customary for a transaction of this type and nature and which shall, without limitation, opine that: (1) the Borrower is duly formed; (2) all loan documents have been validly authorized and executed by and on behalf of the Borrower, if any; (3) all loan documents are valid, binding, enforceable in accordance with their terms and do not violate any legal requirements, including without limitation, organizational documents, laws and material agreements; (4) the loan and loan documents are exempt from registration and qualification under the Securities Act of 1933 and Trust Indenture Act of 1939, and (5) the interest on the Series 2025 Loan is excludable from the gross income of the Bank for federal income tax purposes. An opinion of counsel to the County in form and substance satisfactory to the Bank.

5. **Financial Covenants:**

All standard covenants and provisions shall be applicable to the Loans, including but not limited to:

Additional Bonds Test:

As referenced in the 1992 Public Improvement Revenue Bond Resolution:

The Issuer covenants not to incur any indebtedness payable from "Pledged Funds" unless: Pledged Revenues are at least equal to 125% of the Maximum Annual Debt Service on all Outstanding Parity Bonds and the proposed Parity Additional Bonds.

7. **Other Conditions:**

- a. Documents for the 2025 Loan will include taxability language (including retroactive interest, penalties and other fees and costs associated therewith) allowing for a higher taxable loan rate should the IRS deem the Loan to be a taxable facility due to events associated with action or inaction of Borrower.
- b. No Material Adverse Change to the Borrower.
- c. The implementation of certain terms, conditions, covenants or other non-material changes to the proposed Credit Accommodation required as part of the Bank's formal credit approval shall be deemed an approval in substantially the form outlined in this proposed Credit Accommodation.
- d. All standard representations, warranties, rights and remedies in the event of default that are acceptable to the Bank.
- e. Borrower covenants and agrees that documents will include language stipulating that the Loan Facility and all existing and future Obligations secured by the subject Sales Tax Revenues shall be on parity without preference to be given to any particular issuance.
- f. If at any time the Facility is outstanding and the unenhanced long-term Moody's or Fitch ratings on any issuer debt are withdrawn, suspended for credit-related reasons or reduced below Baa1/BBB+ /BBB+, respectively, it shall be deemed an Event of Default.
- g. If the County no longer carries a Public Debt Rating, and the issuer's debt has not been withdrawn or suspended for credit-related reasons, the County must maintain the following:

- a. In line with the Additional Bonds Test, Pledged Revenues are at least equal to 125% of the Maximum Annual Debt Service on all Outstanding Parity Bonds.
- b. If the Annual Coverage falls below 125% of MADS the County shall have a cure period of 30 days in which it will take such remedial actions that are designed to restore the Annual Coverage Ratio by pledging an additional mutually acceptable source of legally available revenues to get Coverage back above 125% of MADS.
- h. If the Borrower provides more restrictive covenants or additional rights and remedies to any other parity bondholder or lender, then the Bank shall have the same covenants, rights and remedies. To the extent any other bondholder or lender exercises acceleration rights, the Bank shall also have the ability to accelerate.
- i. All legal matters and documentation to be executed in connection with the contemplated proposed Credit Accommodation shall be satisfactory in form and substance to the Bank and counsel to the Bank.
- j. The Bank shall not be required to enter into the proposed Credit Accommodation until the completion of all due diligence inquiries, receipt of approvals from all requisite parties and the execution and receipt of all necessary documentation reasonably acceptable to the Bank and its counsel. Furthermore, certain assumptions are made for this proposal which, if altered, could affect the overall credit approval and or terms of the proposed Credit Accommodation.

Patriot Act Notice. Lender is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56) (signed into law October 26, 2001)) (the "Act") and hereby notifies the Borrower and Guarantor that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower and Guarantor, which information includes the name and address of the Borrower and Guarantor and other information that will allow Lender to identify the Borrower and Guarantor in accordance with the Act.

THIS PROPOSAL IS NOT AND SHOULD NOT BE CONSTRUED AS A COMMITMENT BY THE BANK OR ANY AFFILIATE TO ENTER INTO ANY CREDIT ACCOMMODATION.

Appendix A: Amortization Schedule

Maturity	Principal
11/1/2026	\$ 1,110,000
11/1/2027	\$ 1,470,000
11/1/2028	\$ 1,536,000
11/1/2029	\$ 1,605,000
11/1/2030	\$ 1,677,000
11/1/2031	\$ 1,752,000
11/1/2032	\$ 1,831,000
11/1/2033	\$ 1,914,000
11/1/2034	\$ 2,000,000
11/1/2035	\$ 2,090,000
11/1/2036	\$ 2,184,000
11/1/2037	\$ 2,282,000
11/1/2038	\$ 2,385,000
11/1/2039	\$ 2,492,000
11/1/2040	\$ 2,604,000
11/1/2041	\$ 2,722,000
11/1/2042	\$ 2,844,000
11/1/2043	\$ 2,972,000
11/1/2044	\$ 3,106,000
11/1/2045	\$ 3,246,000
11/1/2046	\$ 3,392,000
11/1/2047	\$ 3,544,000
11/1/2048	\$ 3,704,000
11/1/2049	\$ 3,870,000
11/1/2050	\$ 4,045,000
11/1/2051	\$ 4,227,000
11/1/2052	\$ 4,417,000
11/1/2053	\$ 4,616,000
11/1/2054	\$ 4,823,000
11/1/2055	\$ 5,040,000
	\$ 85,500,000