

Official Notice of Sale

Town of Surfside Beach, South Carolina \$4,000,000* General Obligation Bond, Taxable Series 2021

Bids due by: Tuesday, December 15, 2020 @ 12:00 pm

Bids will be received by the Town of Surfside Beach, South Carolina (the "Town") from financial institutions with respect to a commercial loan to be evidenced by its \$4,000,000* General Obligation Bond, Taxable Series 2021 (the "Bond"). Your response to this RFP would be greatly appreciated. The following key assumptions are to be utilized in preparing your bid:

Time and Place of Sale: NOTICE IS HEREBY GIVEN that electronic mailed bids for the purchase of the Bond will be received by the Town until 12:00 pm, South Carolina time, on Tuesday, December 15, 2020. Bids should be transmitted to the following individuals:

Bill Shanahan
Town Administrator
wshanahan@surfsidebeach.org

Diana King
Director of Finance
dking@surfsidebeach.org

David Cheatwood
Financial Advisor – First Tryon Advisors
dcheatwood@firsttryon.com

Gary Pope
Bond Counsel – Pope Flynn, LLC
gpope@popeflynn.com

Issuer: Town of Surfside Beach, South Carolina.

Use of Proceeds: Proceeds of the Bond will be used to (1) defray the costs incurred in connection with the planning, designing, engineering, financing, and constructing of a new municipal pier and related structures and infrastructure to be located in the Town and which will include all costs necessary or convenient to replace the existing, heavily damaged, municipal pier, including any costs of demolition and removal thereof and (2) pay costs of issuance of the Bond.

Security: The Bond is a general obligation of the Town. The full faith, credit, and taxing power of the Town are hereby irrevocably pledged, and there shall be levied and collected an *ad valorem* tax, without limit as to rate or amount, upon all taxable property located within the Town sufficient to pay the payments on the Bond until the Bond is no longer Outstanding.

Authorization: Pursuant to Chapter 21 of Title 5 and the provisions of Section 11-27-40, Code of Laws of South Carolina 1976, as amended, the Town enacted a Bond Ordinance on June 25, 2018 (the "Bond Ordinance") authorizing the issuance of the Bond. A copy of the Bond Ordinance is provided by separate attachment.

Issue Size: \$4,000,000*.

Tax Treatment: Taxable.

Bank Qualified: No.

Amortization:

Preliminary amortizations have been provided below and should be used in preparation of your bid. The Town reserves the right to modify each of the amortizations to achieve its desired debt service structure. A single fixed rate for the entire term of each of the amortizations provided below is required. Please note that bidders are not required to bid each amortization.

Maturity Date	Option A*	Option B*	Option C*
10/1/2022	\$ 405,000	\$ 320,000	\$ 238,000
10/1/2023	415,000	328,000	244,000
10/1/2024	424,000	336,000	251,000
10/1/2025	434,000	345,000	258,000
10/1/2026	444,000	353,000	265,000
10/1/2027	454,000	362,000	272,000
10/1/2028	464,000	372,000	280,000
10/1/2029	475,000	381,000	288,000
10/1/2030	485,000	391,000	296,000
10/1/2031	-	401,000	304,000
10/1/2032	-	411,000	313,000
10/1/2033	-	-	321,000
10/1/2034	-	-	330,000
10/1/2035	-	-	340,000
Total	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Average Life	5.883 Years	6.984 Years	8.679 Years

Principal Payments:

Annual principal payments on October 1, commencing October 1, 2022.

Interest Payments:

Semi-annual interest payments on April 1 and October 1, commencing April 1, 2021 and calculated on a 30/360 basis.

Prepayment:

The Town is interested in evaluating prepayment flexibility. Proposals with multiple redemption options are permitted.

Denominations:

The Bond will be issued in a single denomination equal to the par amount of the Bond.

Form of Bond:

The Bond will be issued in fully registered form in the name of the successful bidder (the "Bank") and will be dated the date of its delivery.

Closing/Delivery Date:

The Bond will be delivered on or about January 7, 2021 or such other date as may be determined by the parties. The interest rate proposed must be held firm until this date. The loan proceeds equal to 100% of the par amount of the Bond must be paid in federal funds or other immediately available funds on the closing date.

Award:

Although the selection will be based substantially on the lowest total financing cost (including both interest cost (calculated on a true interest cost basis) together with any upfront fees and expenses), the Town reserves the right to award the Bond to the bidder that provides terms deemed most advantageous to the Town. Any fees or costs to be paid by the Town to the bidder will be treated as additional interest cost. The Town reserves the right to reject any and all bids, to waive irregularities in any bid and to negotiate with the lowest responsive bidder.

Rating:

No rating is expected to be obtained for the Bond. The Town is not currently rated by Moody's or by S&P.

*Not-to-exceed amount.

Legal Opinion: Pope Flynn, LLC will serve as bond counsel to the Town in connection with the Bond. The legal documentation necessary for the financing will be prepared by bond counsel, subject to the review and approval by the Bank and its counsel (if any). The form of the bond counsel opinion is available upon request.

Increased Cost: The Town will not consider any proposals that include future interest rate adjustments, including a default rate.

Audit/Budget: The Town will provide its annual financial statements in electronic format to the Bank upon request. Historical financial statements of the Town (including the Town's FY2020 audit) as well as other financial information are available on the Town's website at the following link:
<http://www.surfsidebeach.org/finance>

Closing Costs: The costs of issuance of the Bond will be borne by the Town. However, the Town does not anticipate paying any closing costs to or on behalf of the Bank. Please specify any exceptions in absolute dollar amounts.

Annual/Ongoing Costs: None anticipated to be paid to or on behalf of the Bank. Please specify any exceptions.

Representations: The Bank will be required to execute a letter to the Town acknowledging, among other things, that (1) no official statement or other offering material has been furnished other than the Request for Proposals; (2) the Bank had an opportunity to make inquiries of, and receive answers from such officials, employees, agents and attorneys of the Town; (3) the Bank has knowledge and experience in financial and business matters and that it is capable of evaluating the merits and risks of making the loan to be evidenced by the Bond and is financially able to bear the economic risk of holding the Bond; (4) the Bank is acquiring the Bond as a vehicle for making a commercial loan and without a present view to the distribution or resale thereof (subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be under its control) within the meaning of the Federal securities laws; and (5) the Bank is acquiring the Bond solely for its own account and no other person now has any direct or indirect beneficial ownership or interest therein.

LOAN TREATMENT: BY SUBMITTING A BID IN RESPONSE TO THIS NOTICE OF SALE, EACH BIDDER ACKNOWLEDGES AND REPRESENTS TO THE TOWN AND ITS FINANCIAL ADVISOR THAT (1) NO OFFICIAL STATEMENT OR OTHER OFFERING MATERIAL WILL BE FURNISHED OTHER THAN THIS NOTICE OF SALE; (2) THE BIDDER HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS AND THAT IT IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF MAKING THE COMMERCIAL LOAN TO BE EVIDENCED BY THE BOND AND IS FINANCIALLY ABLE TO BEAR THE ECONOMIC RISK OF HOLDING THE BOND; (3) NO CUSIP NUMBER WILL BE OBTAINED FOR THE BOND; AND (4) THE BIDDER INTENDS TO ACQUIRE THE BOND SOLELY FOR ITS OWN ACCOUNT AS A VEHICLE FOR MAKING A COMMERCIAL LOAN AND WITH NO PRESENT INTENTION TO DISTRIBUTE OR RESALE THE BOND OR ANY PORTION THEREOF.

Questions: Questions may be addressed to the Town through its financial advisor or bond counsel:

Financial Advisor
David Cheatwood
First Tryon Advisors
1355 Greenwood Cliff, Suite 400
Charlotte, NC 28204
(704) 926-2447
dcheatwood@firsttryon.com

Bond Counsel
Gary Pope
Pope Flynn, LLC
1411 Gervais Street, Suite 300
Columbia, SC 29201
(803) 354-4917
gpope@popeflynn.com