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1 **2020-2 (2<sup>ND</sup> READING): AN ORDINANCE AUTHORIZING THE CITY OF MYRTLE**  
2 **BEACH, SOUTH CAROLINA, TO EXECUTE AND DELIVER AN ADDENDUM TO A**  
3 **MASTER LEASE AGREEMENT IN AN AMOUNT NOT EXCEEDING \$1,080,000**  
4 **BETWEEN THE CITY AND THE LESSOR THEREOF TO DEFRAY THE COST OF**  
5 **ACQUIRING CERTAIN ITEMS OF HEAVY EQUIPMENT FOR SOLID WASTE**  
6 **MANAGEMENT; AND OTHER MATTERS RELATING THERETO.**

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7 **Applicant/Purpose:** Staff/to finance acquisition of heavy equipment for solid waste collection.  
8

9 **Brief:**

- 10 • Proposed ordinance approves City's entering into a 5-year Lease-Purchase Agreement at  
11 an interest rate to be determined by competitive bids.
- 12 • The amortization schedule has been supplied with the winning proposal and is attached.
- 13 • The total equipment package totals \$1,080,000 including:
  - 14 ○ 4 knuckleboom trucks (\$600,000).
  - 15 ○ 2 rear Loaders (\$480,000).
- 16 • The 2020 lease includes 4 knuckleboom trucks (\$600,000) & 2 rear Loaders (\$480,000).
- 17 • Since 1<sup>st</sup> reading, proposals have been accepted, with the following results:
  - 18 ○ Nine proposals were received from various banks and leasing agents.
  - 19 ○ The proposed interest rates ranged from 1.8831% to 2.72%.
- 20 • The winning proponent was Bank of America Public Capital Corporation (BAPCC) with a  
21 rate of 1.8831% for a five-year term; the new lease schedule will be added to the existing  
22 Master Lease Agreement that the City has in place with BAPCC.

23  
24 **Issues:**

- 25 • Resolution R2019-041 (adopted August 27, 2019) established the City's intention to  
26 finance the equipment purchase.
- 27 • This declaration of intent protects the tax-exempt status of the lease agreement in the  
28 event that expenditures are incurred prior to closing on the agreement.

29  
30 **Public Notification:** Normal meeting notification.

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32 **Alternatives:**

- 33 • Do not adopt ordinance. Look for other financing options.
- 34 • Do not acquire this equipment.

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36 **Financial Impact:**

- 37 • The expenditure was anticipated in the current budget & capital improvement plans.
- 38 • The proposal ensures that this agreement can be priced to reflect the lower tax-exempt  
39 interest rates.

40  
41 **Manager's Recommendation:**

- 42 • I recommend 1<sup>st</sup> reading (1/14/2020).
- 43 • I recommend approval (1/28/2020).

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45 **Attachment(s):** Lessee's Proposal, including amortization schedule.

CITY OF MYRTLE BEACH  
COUNTY OF HORRY  
STATE OF SOUTH CAROLINA

**AUTHORIZING THE CITY OF MYRTLE BEACH, SOUTH CAROLINA, TO EXECUTE AND DELIVER AN ADDENDUM TO A MASTER LEASE AGREEMENT IN AN AMOUNT NOT EXCEEDING \$1,080,000 BETWEEN THE CITY AND THE LESSOR THEREOF TO DEFRAY THE COST OF ACQUIRING CERTAIN ITEMS OF HEAVY EQUIPMENT FOR SOLID WASTE MANAGEMENT; AND OTHER MATTERS RELATING THERETO.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MYRTLE BEACH, SOUTH CAROLINA, IN COUNCIL DULY ASSEMBLED, AS FOLLOWS:

SECTION 1. The City Council of the City of Myrtle Beach, South Carolina (the "Council"), hereby finds and determines:

(a) The City of Myrtle Beach, South Carolina (the "City"), is an incorporated municipality located in Horry County, South Carolina (the "County"), and as such has all powers granted to municipalities by the Constitution and general laws of this State.

(b) Section 5-7-40 of the Code of Laws of South Carolina 1976, as amended, empowers all municipalities to own and possess real and personal property and such municipalities may lease any such property.

(c) On February 15, 2015, the City entered into a Master Lease-Purchase Agreement (the "Agreement") with Bank of America Public Capital Corporation ("BAPCC"), a division of Bank of America Corporation (the "Lessor"), for the purpose of acquiring certain public safety equipment (Schedule A) and a rear loader (Schedule B).

(d) On April 4, 2015, the City entered into an addendum to the Agreement for the purpose of financing the acquisition and installation of network infrastructure and camera units for a system of surveillance cameras (Schedule C).

(e) On December 4, 2019, the City entered into an addendum to the Agreement for the purpose of financing the installation of an HVAC System at the Myrtle Beach Convention Center; and thirty (30) Compactors with Glacier Ozone Units for Solid Waste Management operations (Schedule C).

(f) The City now desires to enter into a further addendum to the Master Lease Agreement with BAPCC (the "Lessor"), for the purposes of financing the purchase of certain equipment, to wit, four knuckleboom trucks and two rear loaders (collectively, the "Schedule D Equipment").

(g) The Lease Agreement will be subject to annual appropriation by the Council.

(g) Pursuant to a Request for Proposals for the above named equipment distributed to various vendors, the City received responsive proposals regarding the request and capital leasing of

52 the Equipment authorized by this Ordinance. The winning proponent's financing offer was put  
53 forward by BAPCC. A total of nine (9) responsive proposals were timely received. BAPCC quoted a  
54 rate of 1.8831% per annum for five (5) years. Rates quoted by the other proponents ranged from a  
55 low of 2.06% to a high of 2.72%, all on a similar five-year schedule.

56 (h) It is in the best interest of the City to acquire the Equipment by entering into the Lease  
57 Agreement with the Lessor. The Lease Agreement will enable the City to purchase the Equipment  
58 for use by departments of City government, which Equipment is necessary to the proper functioning  
59 of the City.

60  
61 SECTION 2. Acceptance of Proposal. The proposal of the Lessor, dated January 21, 2020,  
62 a copy of which is attached hereto as Exhibit B, providing for, among other things, the terms of the  
63 lease/purchase transaction authorized by this Ordinance, is hereby approved and accepted. The  
64 Lease Agreement shall be in an amount not exceeding \$1,080,000. The City Manager is hereby  
65 authorized to execute such lease agreement on behalf of the City.

66  
67 SECTION 3. Approval of Transaction. The Council does hereby approve leasing the  
68 Equipment by the City from the Lessor pursuant to the Lease Agreement.

69  
70 SECTION 4. Approval of Lease Agreement. The form, terms and provisions of the Lease  
71 Agreement be and hereby are approved and all of the terms, provisions and conditions thereof are  
72 hereby incorporated herein by reference as if the Lease Agreement were set out in this Ordinance  
73 in its entirety. A copy of the Lease Agreement shall be filed with the minutes of the meeting of City  
74 Council at which this Ordinance was enacted. The City Manager is hereby authorized, empowered  
75 and directed to execute, acknowledge and deliver, and the City Clerk is hereby authorized,  
76 empowered and directed to attest the Lease Agreement in the name and on behalf of the City. The  
77 Lease Agreement is to be in substantially the form now before this meeting and hereby approved, or  
78 with such changes therein as shall be approved by the execution thereof by the City Manager and  
79 the City Clerk, to constitute conclusive evidence of approval of any and all changes or revisions  
80 therein from the form of Lease Agreement now before this meeting.

81  
82 SECTION 5. Authorization. The Mayor, the City Manager, the Chief Financial Officer and  
83 the City Clerk, for and on behalf of the City, are fully empowered and authorized to take such further  
84 action and to execute and deliver such additional documents as may be necessary to effect the  
85 execution and delivery of the Lease Agreement in accordance with the terms and conditions therein  
86 set forth, and the transactions contemplated hereby and thereby, and the action of such officers in  
87 executing and delivering any of such documents, in such form as the City Manager shall approve, is  
88 hereby fully authorized.

89  
90 SECTION 6. Federal Tax Covenant. The City, as lessee, agrees and covenants that it will  
91 not take any action which will, or fail to take any action which failure will, cause the interest portion  
92 of the Base Payments (as defined in the Lease Agreement) under the Lease Agreement to become  
93 includable in the gross income of the Lessor for federal income tax purposes pursuant to the  
94 provisions of the Code and regulations promulgated thereunder in effect on the date of original  
95 issuance of the Lease Agreement and that it will comply with all applicable provisions of Section 103  
96 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and  
97 any regulations promulgated thereunder, to maintain the exclusion from gross income for federal  
98 income tax purposes of the interest portion of the Base Payments and to that end the City shall:  
99

100 (a) establish such funds, make such calculations and pay such amounts in the manner  
101 and at the times required in order to comply with the requirements of the Code relating  
102 to required rebates of certain amounts to the United States; and  
103

104 (b) make such reports of such information at the times and places required by the Code.  
105

106 SECTION 7. Bank Deduction Eligible. This lease agreement is not bank qualified.  
107

108 SECTION 8. Filings with Central Repository. In compliance with Section 11-1-85 of the  
109 South Carolina Code, the City covenants that it will file or cause to be filed with a central repository  
110 for further availability in the secondary bond market when requested: (a) a copy of the annual audit  
111 of the City within thirty (30) days of the City's receipt thereof; and (b) within thirty (30) days of the  
112 occurrence thereof, relevant information of an event which, in the opinion of the City, adversely  
113 affects more than five (5%) of the City's revenue or its tax base.  
114

115 SECTION 9. Effective Date. The provisions of this Ordinance shall be effective upon its  
116 adoption.  
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\_\_\_\_\_  
BRENDA BETHUNE, MAYOR

123

(SEAL)

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\_\_\_\_\_  
JENNIFER STANFORD, CLERK

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1<sup>st</sup> Reading: 1-14-2020

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2<sup>nd</sup> Reading: 1-28-2020

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EXHIBIT A

The Schedule E Equipment

Schedule of Equipment to be leased/purchased under the Agreement

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
Knuckleboom Trucks	4	150,000	600,000
Rear Loaders	2	240,000	480,000
Grand Total			\$1,080,000

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Exhibit B

PROPOSAL OF THE LESSOR,  
INCLUDING FINANCING TERMS AND AMORTIZATION SCHEDULE



Charles T. Maguire  
Senior Vice President

Government Finance Group  
1111 E. Main Street, 18<sup>th</sup> FL. VA2-300-18-02  
Richmond, VA 23219  
T 804.489.5044 F 804.262.8344 M 804.432.9572  
Charles.maguire@BofA.com

January 22, 2020

Michael Shelton  
City of Myrtle Beach  
921 Oak Street  
Myrtle Beach, SC 29577

Dear Mr. Shelton,

Banc of America Public Capital Corp (“BAPCC”), on behalf of Bank of America, National Association, is pleased to submit to you (“Lessee”) the lease financing proposal (the “Proposed Transaction”) described in the attached Summary of Terms and Conditions (the “Term Sheet”).

If awarded we recommend documenting this as a schedule to the 2015 master lease we executed with City, which is similar to how we documented the November 2019 lease we were awarded and funded.

This letter and the Term Sheet (collectively, the “Proposal” or “Proposal Letter”) include only a brief description of the principal terms of the Proposed Transaction, and are intended for discussion purposes only. This Proposal Letter is not intended to and does not create any binding legal obligation on the part of either party. BAPCC will not be obligated to provide any financing until the satisfactory execution of all documents and terms of term sheet. The terms and conditions of this Proposal Letter shall be superseded by and shall no longer be effective upon the execution and delivery of final legal documentation with respect to this Proposed Transaction.

This Proposal must be accepted on or before **January 29, 2020** in order for BAPCC to proceed with its consideration of the Proposed Transaction. To accept this proposal, please sign the enclosed copy of this letter and return it, by no later than January 29th to:

**Banc of America Public Capital Corp**  
**1111 E. Main Street, 18<sup>th</sup> Floor**  
**Richmond, VA 23832**  
**P - 804-489-5044**  
**F – 804-262-8344**

We appreciate this opportunity to present Bank of America.

*Charles T. Maguire*

Charles T. Maguire  
Senior Vice President  
Government Finance Group

“Bank of America” is the marketing name used by certain Global Banking and Global Markets businesses of Bank of America Corporation. Lending, leasing, equipment finance and other commercial banking activities, and trading in certain financial instruments are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Banc of America Public Capital Corp, a wholly-owned subsidiary of Bank of America, National Association, is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, with respect to any municipal financial product or issuance of municipal securities. The information provided in this document is not intended to be and should not be construed as “advice” with the meaning Section 15B of the Securities Exchange Act of 1934 and the municipal advisor rules of the SEC. © 2019 Bank of America Corporation. All rights reserved.

## Page 2

The undersigned, by its authorized representative below, accepts the above proposal, agrees to furnish Lessor, its successors and assigns, any information relating to the business or financial condition of Lessee or its affiliates, and authorizes Lessor, Bank of America, National Association, and their affiliates to disclose to, discuss with and distribute such information (and any information they may already have) to any other affiliates or proposed assignees or successors of Lessor.

### Myrtle Beach, SC

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*This proposal is submitted in response to your Request for Proposal for a Lease Purchase agreement. The contents of this proposal and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the "Rules") of the Securities and Exchange Commission (240 CFR 15Ba1-1 et seq.).*

*The Staff of the SEC's Office of Municipal Securities has issued guidance which provides that, in order for a request for proposals to be consistent with this exemption, it must (a) identify a particular objective, (b) be open for not more than a reasonable period of time (up to six months being generally considered as reasonable), and (c) involve a competitive process (such as by being provided to at least three reasonably competitive market participants) or by being publicly posted to your official website. In submitting this proposal, we have relied upon your compliance with this guidance.*

*In submitting this proposal, we are not undertaking to act as a "municipal advisor" to you or any other person within the meaning of the Rules. In connection with this proposal and the transactions described herein, we are not subject to, and we hereby disclaim, any fiduciary duty to you or to any other person. We understand that you will consult with and rely on the advice of your own municipal, financial, tax, legal and other advisors as and to the extent you deem necessary in connection with your evaluation of this proposal and the transactions described herein.*

*The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.*



## SUMMARY OF TERMS AND CONDITIONS

<b><u>Date:</u></b>	January 22, 2020
<b><u>Lessee:</u></b>	Myrtle Beach, SC
<b><u>Lessor:</u></b>	Banc of America Public Capital ("BAPCC") or its assignee or designee ("Lessor")
<b><u>Equipment:</u></b>	Essential use equipment per RFP.
<b><u>Security:</u></b>	BAPCC will have a security interest in the Equipment.
<b><u>Structure:</u></b>	The Lease will be structured as a <b>NON-BANK QUALIFIED TAX-EXEMPT</b> transaction. This is a lease intended as security transaction; all tax benefits will remain with Lessee; the lease will be a net financial lease, and all expenses, including (but not limited to) insurance, maintenance, and taxes, will be for the account of Lessee.
<b><u>Term:</u></b>	7 years.
<b><u>Maximum Funding:</u></b>	Not to exceed \$1,080,000
<b><u>Rate:</u></b>	1.8831%, see attached amortization.

*The current rates are locked until February 12, 2020, and will be honored so long as the transaction is funded before such date. After February 12, 2020, Lessor may adjust the rate upward depending on changes in interest rates between February 12, 2020, and the date the final pricing is determined.*

*In order to lock the rate, the Lessee must notify (email is fine) BAPCC of acceptance of the rates within 7 business days from the issuance of this proposal.*

<b><u>Payments:</u></b>	Payments will be in accordance with the attached amortization schedule. Please note if alternative payment frequencies (i.e. quarterly, semiannual or annual) or changes to the principal amounts due on each payment date are requested, this may be accommodated but any changes to the average life may also impact the rate quoted herein.
<b><u>Insurance:</u></b>	Lessee may be required to provide, at its expense, casualty insurance (with such deductibles as Lessor may approve) Lessor has the ability, if necessary, to obtain and provide any insurance certificate required.
<b><u>Prepayment:</u></b>	Pre-payable in whole on any payment at par after half the initial term has expired.
<b><u>Expenses:</u></b>	Lessee and Lessor will each be responsible for their own legal and closing costs.
<b><u>Escrow Account:</u></b>	<i>Lessee may deposit</i> , subject to compliance with applicable regulations under the Internal Revenue Code, including, but not limited to arbitrage regulations, the proceeds of the Lease in an escrow acceptable to Lessor for a term not to exceed 3 years, and disbursements made therefrom to pay for the Project upon the execution and delivery of an acceptance certificate (and related documents) by Lessee and approved by Lessor.

*The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.*

## **Governmental**

### **Entity Lease:**

The Base Rent installments are calculated on the assumptions, and Lessee will represent, that Lessee is a state or political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code (the "Code"), that this transaction will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code. Lessee shall provide Lessor with such evidence as Lessor may request to substantiate and maintain such tax status.

Lessee will pay Lessor only as to the actions or omissions of the lessee, on an after-tax basis, against any loss of Federal income tax exemption of the interest portion of the rentals and against any penalties and interest imposed by the Internal Revenue Service on Lessor in connection therewith on a lump-sum basis.

## **Non-Appropriation**

### **Termination:**

Lessee affirms that funds are available for the current fiscal year and reasonably believes that sufficient funds can be obtained to make all rental payments during each subsequent fiscal year. Lessee will regularly budget for and otherwise use its best efforts to obtain funds for the continuation of the rentals in this transaction.

### **Documents:**

Lease documents in form and substance satisfactory to Lessor and its local counsel must be executed and delivered. If Lessor requests, Lessee will also furnish duly executed landlord and mortgage waivers and supporting information. Lessee will also provide board resolutions, incumbency certificates and other documentation required by Lessor.

## **Investment**

### **Letter:**

We can sign an Investor Letter in form and substance as the lease we executed earlier this year, or we can replace the last sentence in Section 6 with: "The Lessor has not requested, and has no current intention to request, that CUSIP numbers be assigned to the Lease Agreement".

### **Disclaimer:**

Many of the terms and conditions contained in the RFP and its attachments are not applicable to a financing transaction such as is contemplated by the RFP and this proposal response. Consequently, the terms and conditions contained in the final lease agreement negotiated and executed by and between the parties shall govern the relationship. Unless a provision is expressly included in that final lease agreement or its related documentation, said provision will not apply.

### **SEC Disclosure:**

Lessee acknowledges and agrees that, if, in connection with its efforts to comply with the requirements of SEC Rule 15c2-12(b)(5) of the Securities and Exchange Act of 1934, Lessee decides to file any documentation related to the proposed transaction to EMMA (the "Disclosed Documents"), such Disclosed Documents shall be filed with redactions that will be mutually agreed upon by the parties to ensure that there is no confidential information of Lessor included in the posted documents (i.e. account information, names of signatories).

## **Private**

### **Placement:**

The proposed transaction is a private placement that will not require (i) any additional public ongoing disclosure requirements, (ii) any additional public offering document generation requirements, or (iii) any underwriting or related fees.

## **USA Patriot Act**

### **Compliance:**

The Lessee acknowledges that pursuant to the requirements of the USA Patriot Act, as amended from time to time (including as amended by the USA Freedom Act of 2015) (the "Patriot Act"), the Lessor is required to obtain, verify and record information that identifies the Lessee, which information includes the name and address of the Lessee and other information that will allow the Lessor to identify the Lessee in accordance with the Patriot Act.

*The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.*

**Credit Due Diligence:**

In order to complete its credit due diligence, Banc of America Public Capital Corp Credit Administration will need the following:

- Three years of most recent audited financial statements;
- Most recent fiscal year's Budget
- Insurance Certificate
- W-9

**Lease Amortization:**

<u>date</u>	<u>funding</u>	<u>payment</u>	<u>interest</u>	<u>principal</u>	<u>balance</u>
2/12/2020	\$ 1,080,000.00				\$ 1,080,000.00
3/1/2021		\$ 166,286.04	\$ 21,411.05	\$ 144,875.00	\$ 935,125.00
3/1/2022		\$ 166,286.04	\$ 17,609.50	\$ 148,676.54	\$ 786,448.47
3/1/2023		\$ 166,286.04	\$ 14,809.75	\$ 151,476.29	\$ 634,972.17
3/1/2024		\$ 166,286.04	\$ 11,957.27	\$ 154,328.77	\$ 480,643.40
3/1/2025		\$ 166,286.04	\$ 9,051.08	\$ 157,234.96	\$ 323,408.44
3/1/2026		\$ 166,286.04	\$ 6,090.16	\$ 160,195.88	\$ 163,212.56
3/1/2027		\$ 166,286.04	\$ 3,073.48	\$ 163,212.56	\$ (0.00)
	----- \$ 1,080,000.00	----- \$ 1,164,002.30	----- \$ 84,002.30	----- \$ 1,080,000.00	

*The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.*

**SOURCES AND USES OF FUNDS**

City of Myrtle Beach, SC  
Equipment Lease-Purchase Financing, 2020  
Bank of America Public Capital Corp.  
Final Numbers - 1.23.20

Dated Date                    02/12/2020  
Delivery Date                02/12/2020

Sources:

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<b>Bond Proceeds:</b>	
Par Amount	1,080,000.00
	<hr/>
	1,080,000.00

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Uses:

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<b>Project Fund Deposits:</b>	
Project Fund	1,075,000.00
	<hr/>
<b>Delivery Date Expenses:</b>	
Cost of Issuance	5,000.00
	<hr/>
	1,080,000.00

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**BOND SUMMARY STATISTICS**

City of Myrtle Beach, SC  
Equipment Lease-Purchase Financing, 2020  
Bank of America Public Capital Corp.  
Final Numbers - 1.23.20

Dated Date	02/12/2020
Delivery Date	02/12/2020
First Coupon	03/01/2021
Last Maturity	03/01/2027
Arbitrage Yield	1.874074%
True Interest Cost (TIC)	1.874074%
Net Interest Cost (NIC)	1.883100%
All-In TIC	1.991988%
Average Coupon	1.883100%
Average Life (years)	4.128
Weighted Average Maturity (years)	4.128
Duration of Issue (years)	3.976
Par Amount	1,080,000.00
Bond Proceeds	1,080,000.00
Total Interest	83,948.60
Net Interest	83,948.60
Total Debt Service	1,163,948.60
Maximum Annual Debt Service	166,801.17
Average Annual Debt Service	165,034.07
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
Bond Component	1,080,000.00	100.000	1.883%	4.128	422.40
	1,080,000.00			4.128	422.40

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,080,000.00	1,080,000.00	1,080,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(5,000.00)	
- Other Amounts			
Target Value	1,080,000.00	1,075,000.00	1,080,000.00
Target Date	02/12/2020	02/12/2020	02/12/2020
Yield	1.874074%	1.991988%	1.874074%

**BOND PRICING**

City of Myrtle Beach, SC  
Equipment Lease-Purchase Financing, 2020  
Bank of America Public Capital Corp.  
Final Numbers - 1.23.20

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	03/01/2021	145,000	1.8831%	1.883%	100.000
	03/01/2022	149,000	1.8831%	1.883%	100.000
	03/01/2023	152,000	1.8831%	1.883%	100.000
	03/01/2024	154,000	1.8831%	1.883%	100.000
	03/01/2025	157,000	1.8831%	1.883%	100.000
	03/01/2026	160,000	1.8831%	1.883%	100.000
	03/01/2027	163,000	1.8831%	1.883%	100.000
		<b>1,080,000</b>			

Dated Date	02/12/2020	
Delivery Date	02/12/2020	
First Coupon	03/01/2021	
Par Amount	1,080,000.00	
Original Issue Discount		
Production	1,080,000.00	100.000000%
Underwriter's Discount		
Purchase Price	1,080,000.00	100.000000%
Accrued Interest		
Net Proceeds	1,080,000.00	

**BOND DEBT SERVICE**

City of Myrtle Beach, SC  
Equipment Lease-Purchase Financing, 2020  
Bank of America Public Capital Corp.  
Final Numbers - 1.23.20

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2021	145,000	1.8831%	21,410.85	166,410.85
06/30/2022	149,000	1.8831%	17,606.99	166,606.99
06/30/2023	152,000	1.8831%	14,801.17	166,801.17
06/30/2024	154,000	1.8831%	11,938.85	165,938.85
06/30/2025	157,000	1.8831%	9,038.88	166,038.88
06/30/2026	160,000	1.8831%	6,082.41	166,082.41
06/30/2027	163,000	1.8831%	3,069.45	166,069.45
	<b>1,080,000</b>		<b>83,948.60</b>	<b>1,163,948.60</b>

BOND DEBT SERVICE

City of Myrtle Beach, SC  
Equipment Lease-Purchase Financing, 2020  
Bank of America Public Capital Corp.  
Final Numbers - 1.23.20

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2021	145,000	1.8831%	21,410.85	166,410.85	
06/30/2021					166,410.85
03/01/2022	149,000	1.8831%	17,606.99	166,606.99	
06/30/2022					166,606.99
03/01/2023	152,000	1.8831%	14,801.17	166,801.17	
06/30/2023					166,801.17
03/01/2024	154,000	1.8831%	11,938.85	165,938.85	
06/30/2024					165,938.85
03/01/2025	157,000	1.8831%	9,038.88	166,038.88	
06/30/2025					166,038.88
03/01/2026	160,000	1.8831%	6,082.41	166,082.41	
06/30/2026					166,082.41
03/01/2027	163,000	1.8831%	3,069.45	166,069.45	
06/30/2027					166,069.45
	1,080,000		83,948.60	1,163,948.60	1,163,948.60



FORM 8038 STATISTICS

City of Myrtle Beach, SC  
Equipment Lease-Purchase Financing, 2020  
Bank of America Public Capital Corp.  
Final Numbers - 1.23.20

Dated Date 02/12/2020  
Delivery Date 02/12/2020

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	03/01/2021	145,000.00	1.883%	100.000	145,000.00	145,000.00
	03/01/2022	149,000.00	1.883%	100.000	149,000.00	149,000.00
	03/01/2023	152,000.00	1.883%	100.000	152,000.00	152,000.00
	03/01/2024	154,000.00	1.883%	100.000	154,000.00	154,000.00
	03/01/2025	157,000.00	1.883%	100.000	157,000.00	157,000.00
	03/01/2026	160,000.00	1.883%	100.000	160,000.00	160,000.00
	03/01/2027	163,000.00	1.883%	100.000	163,000.00	163,000.00
		1,080,000.00			1,080,000.00	1,080,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	03/01/2027	1.883%	163,000.00	163,000.00		
Entire Issue			1,080,000.00	1,080,000.00	4.1278	1.8741%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	5,000.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

**DISCLAIMER**

City of Myrtle Beach, SC  
Equipment Lease-Purchase Financing, 2020  
Bank of America Public Capital Corp.  
Final Numbers - 1.23.20

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