

**BOND APPLICATION  
MEMPHIS CENTER CITY  
REVENUE FINANCE CORPORATION**

1. Applicant: One Beale Hotel Company LLC  
Company's Name: One Beale Hotel Company LLC  
Mailing Address: 1 Dr. ML King Jr. Avenue Suite 130  
Memphis, Tennessee 38103  
Phone: 901-526-5000 Fax: \_\_\_\_\_ Email: \_\_\_\_\_  
Federal Employer Identification Number: 87-3630983  
Company representative to be contacted: Chance Carlisle  
Name and Title: Chief Executive Officer  
Mailing Address: 1 Dr. ML King Jr. Avenue Suite 130  
Memphis, Tennessee 38103

Phone: 901-526-5000 Fax: \_\_\_\_\_ Email: cgcarlisle@carlislecorp.com

2. Describe the principal business of Applicant and its legal status. Briefly describe Applicant's corporate or other legal structure and identify its state of organization. If Applicant is a foreign entity, is it registered to do business in Tennessee?  
**The principal business of the Applicant is the development ownership and management of a Grand Hyatt hotel in downtown Memphis. Applicant is a Delaware limited liability company and is registered to do business in Tennessee. See organizational chart attached.**

3. Briefly describe the proposed Project.  
**364 key Grand Hyatt Hotel and Conference Center with approximately 36,000 square feet of meeting and event facilities, food and beverage venues, full-service spa, infinity edge pool, 2,300 square foot fitness center, business center and Hyatt Grand Club Lounge.**

4. State the proposed location of the Project by street address and legal description.  
**1 Beale Street**  
**Memphis, Tennessee 38103**

Who owns the real property at this time?  
**One Beale, LLC, an affiate of Applicant that will convey the property at closing,**

Does Applicant have an option to purchase the property if not already owned by Applicant?

**Not applicable**

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Are there presently outstanding any options or liens with regard to the property? If so, describe.

**No**

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5. (a) State the estimated Project costs broken down by components (i.e. land, buildings, equipment, soft costs, etc.) If available, attach third part cost estimates or bids.

**See Attachment A**

(b) State the principal amount of Bonds the Board will be requested to issue; whether tax-exempt or taxable, the proposed terms of such Bonds, including expected interest rate and maturity, and the proposed security therefor.

**\$95,000,000 consisting of tax-exempt series and a taxable series that will be paid with the proceeds of \$2.25 of the \$2.75% local option sales taxes generated on sales within the 5.265 acre One Beale Surcharge District and the proceeds of 5% surcharge assessment on sales within the One Beale Surcharge district. The interest rate on the bonds is unknown. The bonds will have a 30-year maturity.**

6. State the proposed procedure for sale of the Bonds (i.e., public or private sale). Name all principal underwriters, fiscal agents, promoters, or consultants, who will act in connection with the issue, including their addresses, telephone numbers, and individuals familiar with the issue. If no underwriter is to be involved, name the proposed purchaser(s) of the Bonds and the addresses, telephone numbers, email addresses and names of individual representatives of the purchaser(s) familiar with the financing. Attach a copy of the bond purchaser's commitment letter.

**The bonds will be sold through a public offering, with Wells Fargo leading the sale process.**

**Underwriter:**

**Wells Fargo Securities  
188 E. Capital Street, 1<sup>st</sup> Floor  
Jackson, MS 390201  
Jim Perry, Managing Director  
601-760-1999  
Jim.perry@wellsfargo.com**

7. Name any Bond Counsel, Underwriter's Counsel, or Bond Purchaser's Counsel who will be involved with the issue, with addresses, telephone numbers and email addresses.

Bond Counsel: **Butler Snow LLP**

Mailing Address: **6075 Poplar Ave Suite 500**  
**Memphis, Tennessee 38119**

Phone: **901-680-7302** Fax: \_\_\_\_\_ Email: **michael.bradshaw@butlersnow.com**

Underwriter's Counsel: **McQuireWoods LLP**

Mailing Address: **888 16<sup>th</sup> Street N.W., Suite 500**  
**Black Lives Matter Plaza**  
**Washington, DC 20006**

Phone: **202-857-2433** Fax: \_\_\_\_\_ Email: **acason@mcquirewoods.com**

Bond Purchaser's Counsel: **Not applicable**

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Other / Describe: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

8. Name any Company Counsel, engineers, architects, financial consultants, or other professionals who will be involved in the Project, with addresses, telephone numbers and email addresses.

Company Counsel: **Butler Snow LLP**

Mailing Address: **6075 Poplar Ave Suite 500**  
**Memphis, Tennessee 38103**

Phone: **901-680-7318** Fax: \_\_\_\_\_ Email: **Geoffrey.hirsch@butlersnow.com**

Architects / Engineers: **See Attachment B**  
Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Phone: Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Financial Consultants: **None**  
Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Other (specify): **None**  
Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

9. Name the indenture trustee (if any) that will act with regard to the issue (with address, telephone number, email address and contact person).  
**Unknown. To be selected by counsel for MCCRFC, bond counsel and underwriter's counsel**

10. State the anticipated use of Bond proceeds in detail, including all anticipated underwriting or similar fees, trustee's acceptance fees and similar charges.

Uses:	Amounts:
<b>Project Fund</b>	<b>\$74,797,300</b>
<b>Debt Reserve Fund</b>	<b>\$ 6,231,800</b>
<b>Capitalized Interest</b>	<b>\$ 5,959,900</b>
<b>Cost of Issuance</b>	<b>\$ 1,245,600</b>
	\$
	\$
<b>Total:</b>	<b>\$88,234,600</b>

11. Attach as an exhibit a five-year pro forma cash-flow statement for the Project, which should include information showing how the Bond indebtedness will be serviced.  
**Proforma - See Attachment C**  
**Bond Debt Service - See Attachment D**

- 12. State the proposed time schedule for the Project including the dates anticipated for the following:
  - (a) closing of the loan or bond issue: June 2022
  - (b) first expenditure of funds with regard to the Project: 2021
  - (c) anticipated date construction begins: May 2022
  - (d) completion date of Project: August 2024

13. Attach the last five (5) years audited financial statements of Applicant and the most recent interim statements with regard to Applicant. If the Applicant does not have audited financial statements, unaudited statements and a current year audited statement or balance sheet must be submitted. If any party, including an individual or individuals, will guarantee the financing, financial statements for these parties must also be submitted. Has Applicant or any Sponsor changed accounting firms within the past five years? If so, please explain. If any Applicant or its parent is a reporting company, attach the most recent Form 10-K's, 10-Q's, and any subsequent Form 8-K's. Give names and addresses of three credit references. (At least one should be a bank.)

**New entity, no financial statements available.**

14. Is any materially significant litigation pending or threatened against the Applicant or any underwriter, promoter, fiscal agent, or consultant involved in this financing or the Project or against any officer or director of any of the above? If so, describe.

**No**

Has the Applicant or any underwriter, promoter, fiscal agent, or consultant, or any officer or director thereof, ever been charged with or convicted of any civil or criminal offense regarding or growing out of the issuance, sale or solicitation for sale of any type of security or has any such person been convicted or is any such person presently under indictment or complaint alleging commission of a felony or misdemeanor involving moral turpitude in any court? If so, supply a detailed explanation of any such suit, action conviction or indictment.

**No**

## APPLICATION REPRESENTATIONS AND COVENANTS

This Application is made in order to induce Memphis Center City Revenue Finance Corporation (the "Board"), to grant financial incentives to the Applicant. Applicant represents that the statements contained herein are true and correct and include all information materially significant to the Board in its consideration of this Application.

Applicant has read and agrees to comply with all requirements of the Application Procedures and Policies of the Board. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by the Board in connection with the Application whether or not the financial incentives are granted or the project is built. In the event any proposed bond financing closes, Applicant agrees to annually pay its proportionate share (based on total bonds outstanding) of the costs of directors' and officers' liability insurance, if any is ever obtained by the Board, or carried while the Bonds are outstanding.

Applicant: **One Beale Hotel Company, LLC**

By: 

Its: Executive Vice President

**ATTACHMENT A  
ESTIMATED PROJECT COSTS**

SEE ATTACHED

## USES

### Building

Construction Contract	\$	166,000,000
Architectural & Engineering		5,400,000
Construction Consultants		1,600,000
Contingency		12,700,000

### FF&E and SO&E

Guestroom & Public Area FF&E		10,500,000
Public Area FF&E		3,750,000
Equipment		1,800,000
Expendables		3,300,000
Systems		2,100,000
Purchasing Agent		450,000

### Development and Management

Developer Fee		5,350,000
Legal Fees		350,000
Development Expenses		2,600,000

### Operations

Preopening		2,000,000
Working Capital		1,500,000

### Financing & Loan Costs

5,100,000

### Land

10,500,000

### Total Use of Cash

\$ 235,000,000

**ATTACHMENT B  
ARCHITECTS AND ENGINEERS**

SEE ATTACHED

## ARCHITECTURE

COOPER CARRY  
191 PEACHTREE STREET NE  
SUITE 2400  
ATLANTA, GA, 30303  
404-237-2000  
[WWW.COOPERCARRY.COM](http://WWW.COOPERCARRY.COM)

## STRUCTURAL

UZUN+CASE  
1230 PEACHTREE ST NE  
SUITE 2500  
ATLANTA, GA, 30309  
678-553-5203  
[WWW.UZUNCASE.COM](http://WWW.UZUNCASE.COM)

## MECHANICAL/ELECTRICAL

BARRETT WOODYARD & ASSOCIATES  
3495 HOLCOMB BRIDGE ROAD  
-  
NORCROSS, GEORGIA 30092  
770-810-8800  
[WWW.BARRETTWOODYARD.COM](http://WWW.BARRETTWOODYARD.COM)

## PLUMBING FIRE PROTECTION

INNOVATIVE ENGINEERING SERVICES, LLC  
2787 STAGE CENTER DR.  
SUITE 100  
BARTLETT, TENNESSEE 38134  
-  
[WWW.IESLLC.BIZ](http://WWW.IESLLC.BIZ)

## LIGHTING

LUX ET VERITAS DESIGN  
949 WEST MARIETTA STREET NW  
SUITE X-102  
ATLANTA, GA 30318  
470-202-7770  
[WWW.LUXEVERITASDESIGN.COM](http://WWW.LUXEVERITASDESIGN.COM)

## AV/DV

CONVERGENT SERVICES  
4251 CORONADO AVE  
-  
SAN DIEGO 92107  
[WWW.CONVERGENTSERVICES.WS](http://WWW.CONVERGENTSERVICES.WS)

## FOOD SERVICE / LAUNDRY

FOODSTRATEGY, INC.  
1300 PICCARD DRIVE  
SUITE 207  
ROCKVILLE, MARYLAND 20850  
301-926-8181  
[WWW.FOODSTRATEGY.COM](http://WWW.FOODSTRATEGY.COM)

## INTERIOR DESIGN

STUDIO 11 DESIGN  
6646 MILTON ST. NO 340  
-  
DALLAS, TX 75206  
-  
[WWW.STUDIO11DESIGN.COM](http://WWW.STUDIO11DESIGN.COM)

## CIVIL

POWERS HILL  
80 MONROE AVENUE  
SUITE 420  
MEMPHIS, TENNESSEE 38103  
[WWW.PHDMEMPHIS.COM](http://WWW.PHDMEMPHIS.COM)

## LANDSCAPE

JPA INC.  
7953 STAGE HILL BOULEVARD SUITE 101  
MEMPHIS, TN 38133  
901-207-5231

**ATTACHMENT C  
PROFORMA CASH FLOW STATEMENT**

SEE ATTACHED

Grand Hyatt Memphis  
5 Year Pro Forma Cash Flow Projection  
Calendar Years

	2024		2025		2026		2027		2028	
Number of Units:	150		359		359		359		359	
Number of Annual Rooms Available:	54,598		131,035		131,035		131,035		131,035	
Number of Rooms Occupied:	31,667		87,793		96,966		102,207		102,207	
Annual Occupancy:	58.0%		67.0%		74.0%		78.0%		78.0%	
Average Daily Rate:	\$241.00		\$255.00		\$266.00		\$274.00		\$282.00	
Revenue Per Available Room:	\$139.78		\$170.85		\$196.84		\$213.72		\$219.96	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>Revenues</b>										
Rooms	\$7,632,000	49.2%	\$22,387,000	51.3%	\$25,793,000	52.7%	\$28,005,000	53.2%	\$28,822,000	53.3%
Food & Beverage	7,098,000	45.7%	19,059,000	43.7%	20,809,000	42.5%	22,075,000	42.0%	22,627,000	41.9%
Beverage	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Telecommunications	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Garage and Parking	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Golf	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Spa	215,000	1.4%	595,000	1.4%	662,000	1.4%	709,000	1.3%	726,000	1.3%
Other Operated Departments	497,000	3.2%	1,327,000	3.0%	1,443,000	2.9%	1,528,000	2.9%	1,566,000	2.9%
Miscellaneous Income	85,000	0.5%	242,000	0.6%	274,000	0.6%	296,000	0.6%	304,000	0.6%
<b>Total Revenues</b>	<b>15,527,000</b>	<b>100.0%</b>	<b>43,610,000</b>	<b>100.0%</b>	<b>48,981,000</b>	<b>100.0%</b>	<b>52,613,000</b>	<b>100.0%</b>	<b>54,045,000</b>	<b>100.0%</b>
<b>Departmental Expenses</b>										
Rooms	1,957,000	25.6%	5,141,000	23.0%	5,530,000	21.4%	5,820,000	20.8%	5,967,000	20.7%
Food & Beverage	4,687,000	66.0%	11,822,000	62.0%	12,217,000	58.7%	12,804,000	58.0%	13,124,000	58.0%
Beverage	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Telecommunications	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Garage and Parking	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Golf	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Spa	151,000	70.2%	416,000	69.9%	463,000	69.9%	496,000	70.0%	508,000	70.0%
Other Operated Departments	348,000	70.0%	929,000	70.0%	1,010,000	70.0%	1,070,000	70.0%	1,096,000	70.0%
<b>Total Departmental Expenses</b>	<b>7,143,000</b>	<b>46.0%</b>	<b>18,308,000</b>	<b>42.0%</b>	<b>19,220,000</b>	<b>39.2%</b>	<b>20,190,000</b>	<b>38.4%</b>	<b>20,695,000</b>	<b>38.3%</b>
<b>Departmental Profit</b>	<b>8,384,000</b>	<b>54.0%</b>	<b>25,302,000</b>	<b>58.0%</b>	<b>29,761,000</b>	<b>60.8%</b>	<b>32,423,000</b>	<b>61.6%</b>	<b>33,350,000</b>	<b>61.7%</b>
<b>Undistributed Expenses</b>										
Administrative & General	1,398,000	9.0%	3,454,000	7.9%	3,570,000	7.3%	3,660,000	7.0%	3,755,000	6.9%
Information and Telecommunication Systems	215,000	1.4%	555,000	1.3%	590,000	1.2%	617,000	1.2%	633,000	1.2%
Franchise Fees	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Marketing	1,133,000	7.3%	2,830,000	6.5%	2,891,000	5.9%	3,036,000	5.8%	3,115,000	5.8%
Property Operations and Maintenance	507,000	3.3%	1,277,000	2.9%	1,361,000	2.8%	1,425,000	2.7%	1,461,000	2.7%
Energy and Utility	358,000	2.3%	907,000	2.1%	951,000	1.9%	986,000	1.9%	1,011,000	1.9%
<b>Total Undistributed Operating Expenses</b>	<b>3,611,000</b>	<b>23.3%</b>	<b>9,023,000</b>	<b>20.7%</b>	<b>9,363,000</b>	<b>19.1%</b>	<b>9,724,000</b>	<b>18.5%</b>	<b>9,975,000</b>	<b>18.5%</b>
<b>Gross Operating Profit</b>	<b>4,773,000</b>	<b>30.7%</b>	<b>16,279,000</b>	<b>37.3%</b>	<b>20,398,000</b>	<b>41.6%</b>	<b>22,699,000</b>	<b>43.1%</b>	<b>23,375,000</b>	<b>43.3%</b>
Base Management Fee	311,000	2.0%	1,090,000	2.5%	1,469,000	3.0%	1,578,000	3.0%	1,621,000	3.0%
<b>Fixed Expenses</b>										
Incentive Management Fee	0	0.0%	0	0.0%	0	0.0%	189,000	0.4%	193,000	0.4%
Property Taxes	265,000	1.7%	651,000	1.5%	667,000	1.4%	684,000	1.3%	701,000	1.3%
Direct Assessments	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Insurance	89,000	0.6%	218,000	0.5%	223,000	0.5%	229,000	0.4%	235,000	0.4%
Ground Rent	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Equipment Leases	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other Fixed Expense	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total Fixed Expenses</b>	<b>354,000</b>	<b>2.3%</b>	<b>869,000</b>	<b>2.0%</b>	<b>890,000</b>	<b>1.8%</b>	<b>1,102,000</b>	<b>2.1%</b>	<b>1,129,000</b>	<b>2.1%</b>
<b>Net Operating Income Before Reserve</b>	<b>4,108,000</b>	<b>26.5%</b>	<b>14,320,000</b>	<b>32.8%</b>	<b>18,039,000</b>	<b>36.8%</b>	<b>20,019,000</b>	<b>38.0%</b>	<b>20,625,000</b>	<b>38.2%</b>
FF&E Reserve	311,000	2.0%	872,000	2.0%	1,469,000	3.0%	1,578,000	3.0%	2,162,000	4.0%
<b>Net Operating Income After Reserve</b>	<b>\$3,797,000</b>	<b>24.5%</b>	<b>\$13,448,000</b>	<b>30.8%</b>	<b>\$16,570,000</b>	<b>33.8%</b>	<b>\$18,441,000</b>	<b>35.1%</b>	<b>\$18,463,000</b>	<b>34.2%</b>
Debt Service	2,156,000		5,175,000		7,670,000		7,670,000		7,670,000	
<b>Net Cash Flow</b>	<b>\$1,641,000</b>		<b>\$8,273,000</b>		<b>\$8,900,000</b>		<b>\$10,771,000</b>		<b>\$10,793,000</b>	

Five Months of Operation

**ATTACHMENT D  
BOND DEBT SERVICE**

SEE ATTACHED

WELLS  
FARGO

# Memphis Grand Hyatt

February 25, 2022



# Important Information & Disclaimer

## **Important Information & Disclaimer**

This document and any other materials accompanying this document (collectively, the “Materials”) are provided for general informational purposes only. By accepting any Materials, the recipient acknowledges and agrees to the matters set forth below.

**Wells Fargo Corporate & Investment Banking and Wells Fargo Securities (each referred to herein as “CIB” and may be referred to elsewhere as “WFS”) are trade names used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company (“WFC”) and its subsidiaries, including but not limited to Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, N.A. which is registered with the U.S. Securities and Exchange Commission (“SEC”) as a municipal securities dealer.**

**Commercial banking products and services are provided by Wells Fargo Bank, N.A. (“WFBNA”). Investment banking and capital markets products and services provided by CIB are not a condition to any banking product or service.**

**CIB, as potential underwriter or placement agent (together with any of its affiliates as context may require, “we”, or “Wells Fargo”) is providing the information contained in the Materials for discussion purposes only in anticipation of, or in connection with, engaging in arm’s length commercial transactions with you in which Wells Fargo would be acting solely as a principal or agent, as applicable, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether we have or are currently acting as such on a separate transaction (the use of the term “agent” does not imply any fiduciary relationship).**

These Materials are being provided to you for the purpose of working with you as an underwriter or placement agent (collectively, “underwriter”) on the transaction(s) described in the Materials. As part of its services as underwriter, CIB may provide information concerning the structure, timing, terms, and other similar matters concerning the issue of municipal securities that CIB proposes to underwrite as described in the Materials. The Materials may also contain such information. Any such information has been, and would be, provided by CIB in the context of serving as an underwriter and not as your municipal or financial advisor. Additionally, CIB, as underwriter, has financial and other interests that differ from your interests (or those of the issuer). In its capacity as underwriter, CIB’s primary role would be to purchase securities from you (or the issuer in the case of a conduit transaction) for resale to investors, or arrange for the placement of securities with investors on your behalf. Wells Fargo will not have any duties or liability to any person or entity in connection with the information being provided in the Materials.

The information provided herein is not intended to be and should not be construed as advice within the meaning of Section 15B of the Securities Exchange Act of 1934, and Wells Fargo will not be acting as your municipal advisor under the municipal advisor rules (“Muni Advisor Rules”) of the SEC and the SEC’s guidance in its Registration of Municipal Advisors Frequently Asked Questions dated May 19, 2014, as supplemented (collectively, “Muni Advisor Rules”).

CIB distributes municipal securities to institutional investors primarily through Wells Fargo Bank, N.A. Municipal Finance Group (“WFBNA MFG”) and Wells Fargo Securities, LLC (“WFSLLC”). Distribution to middle market clients is provided primarily through WFSLLC. Retail distribution is primarily provided by Wells Fargo Advisors, which is the trade name used by Wells Fargo Clearing Services, LLC (“WFCS”) and Wells Fargo Advisors Financial Network, LLC (“WFAFN”), two non-bank separate registered broker-dealers (members FINRA and SIPC). WFSLLC, WFBNA MFG, WFCS, and WFAFN are affiliates and are each wholly-owned subsidiaries of WFC.

## Important Information & Disclaimer (continued)

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If the Materials are being provided to you under any of the following events, the information contained in the Materials and any subsequent discussions between us, including any and all information, advice, recommendations, opinions, indicative pricing, quotations and analysis with respect to any issuance of municipal securities, are provided to you in reliance upon the Bank, RFP, IRMA exemptions and underwriter exclusion, as applicable, provided under the Muni Advisor Rules. In the event the Bank, RFP, IRMA exemptions, or underwriter exclusion do not apply, the information included in the Materials are provided in reliance on the general information exclusion to advice under the Muni Advisor Rules.

Any information related to a bank-purchased bond transaction (“Direct Purchase”) included in the Materials is a product offering of WFBNA or a subsidiary thereof as purchaser / investor (“Purchaser”). CIB will not participate in any manner in any Direct Purchase transaction between you and Purchaser, and Wells Fargo employees involved with a Direct Purchase transaction are not acting on behalf of or as representatives of CIB. The information contained herein regarding Purchaser’s Direct Purchase is being provided to you by CIB only for purposes of providing financing alternatives that may be available to you from WFC and its affiliates. Information contained in this document regarding Direct Purchase is for discussion purposes only in anticipation of engaging in arm’s length commercial transactions with you in which Purchaser would be acting solely as a principal to purchase securities from you or a conduit issuer, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether Purchaser, or an affiliate has or is currently acting as such on a separate transaction. Additionally, Purchaser has financial and other interests that differ from your interests. Purchaser’s sole role would be to purchase securities from you (or the conduit issuer). Any information relating to a Direct Purchase is being provided to you pursuant to and in reliance on the “Bank exemption” under the Muni Advisor Rules and the general information exclusion to advice under the Muni Advisor Rules.

In the event the Materials are being provided in connection with a RFP, the SEC exempts from the definition of municipal advisor “any person providing a response in writing or orally to a request for proposals or qualifications from a municipal entity or obligated person for services in connection with a municipal financial product or the issuance of municipal securities; provided however, that such person does not receive separate direct or indirect compensation for advice provided as part of such response” (“RFP exemption”). In such event, we have relied upon the RFP exemption, and on your distribution and execution of this RFP through a competitive process. In the event WFBNA MFG is the party providing the Materials, responses to all questions, certifications, attestations, information requests, and similar in the RFP or RFQ to which this response relates are specifically limited to, in context of, and as applied to, WFBNA MFG in its capacity as a separately identifiable department of a national bank that is registered as a municipal securities dealer with the Securities and Exchange Commission, Office of the Comptroller of the Currency, and Municipal Securities Rulemaking Board; and not on behalf of WFBNA, unless specified otherwise in our response.

In the event that you have provided us with your written representation that you are represented by an independent registered municipal advisor (an “IRMA”) within the meaning of the Muni Advisor Rules, with respect to the transaction(s) described in the Materials we have provided you with our written disclosure that we are not a municipal advisor to you and are not subject to the fiduciary duty under the Muni Advisor Rules, if applicable, and have taken certain other steps to establish the “IRMA exemption” under the Muni Advisor Rules.

In the event that you have engaged us to serve as an underwriter with respect to the municipal securities issuance described in the Materials we have provided you with our written disclosure regarding our role as an underwriter, that we are not a municipal advisor to you and are not subject to the fiduciary duty under the Muni Advisor Rules, if applicable.

If savings threshold level information is contained herein, please be advised that CIB is not recommending nor providing advice regarding which maturities should be refunded by you.

See additional important disclosures at the end of the Materials.

## Preliminary Bond Structuring – Assumes City Replenishment of DSRF

Sources and Uses and Key Statistics			
	Tax-Exempt Series	Taxable Series	Aggregate
<b>Sources:</b>			
Par Amount	\$23,945,000	\$59,095,000	\$83,040,000
Premium	4,194,051	-	4,194,051
Existing Surcharge Taxes	288,355	711,645	1,000,000
<b>Uses:</b>			
<b>Project Fund</b>	<b>\$23,576,084</b>	<b>\$51,221,159</b>	<b>\$74,797,243</b>
Debt Service Reserve Fund	1,932,000	4,299,330	6,231,330
Capitalized Interest Fund	2,560,147	3,399,731	5,959,878
Cost of Issuance	359,175	886,425	1,245,600
Amortization	2025-2051	2025-2051	2025-2051
Arbitrage Yield	2.94%	4.10%	2.94%
True Interest Cost (TIC)	3.72%	4.10%	3.98%
All-in TIC	3.82%	4.22%	4.09%
PV01	22,358	76,550	98,908

Aggregate Debt Service Coverage				
	Adjusted Debt Service	Revenue Constraint	Coverage	Excess Revenue
7/1/2022	-	-	-	-
7/1/2023	-	3,506,825	-	3,506,825
7/1/2024	1,817,171	5,426,190	299%	3,609,019
7/1/2025	4,230,145	6,770,050	160%	2,539,905
7/1/2026	4,549,100	7,283,133	160%	2,734,033
7/1/2027	4,782,965	7,661,537	160%	2,878,572
7/1/2028	4,959,790	7,942,683	160%	2,982,893
7/1/2029	5,006,555	8,022,110	160%	3,015,555
7/1/2030	5,053,540	8,102,331	160%	3,048,791
7/1/2031	5,110,495	8,183,354	160%	3,072,859
7/1/2032	5,161,760	8,265,188	160%	3,103,428
7/1/2033	5,212,335	8,347,840	160%	3,135,505
7/1/2034	5,262,015	8,431,318	160%	3,169,303
7/1/2035	5,320,550	8,515,631	160%	3,195,081
7/1/2036	5,367,280	8,600,788	160%	3,233,508
7/1/2037	5,427,455	8,686,796	160%	3,259,341
7/1/2038	5,480,165	8,773,664	160%	3,293,499
7/1/2039	5,530,410	8,861,400	160%	3,330,990
7/1/2040	5,587,985	8,950,014	160%	3,362,029
7/1/2041	5,642,230	9,039,514	160%	3,397,284
7/1/2042	5,697,895	9,129,910	160%	3,432,015
7/1/2043	5,754,570	9,221,209	160%	3,466,639
7/1/2044	5,811,800	9,313,421	160%	3,501,621
7/1/2045	5,874,130	9,406,555	160%	3,532,425
7/1/2046	5,930,900	9,500,620	160%	3,569,720
7/1/2047	5,991,905	9,595,627	160%	3,603,722
7/1/2048	6,051,440	9,691,583	160%	3,640,143
7/1/2049	6,114,095	9,788,499	160%	3,674,404
7/1/2050	6,174,210	9,886,384	160%	3,712,174
7/1/2051	6,231,330	9,985,248	160%	3,753,918
<b>Total</b>	<b>149,134,221</b>	<b>244,889,421</b>		<b>95,755,199</b>

Assumptions: Delivery Date: 5/1/2022; Rates as of 2/15/2022 and subject to market conditions at time of pricing; COI/UWD: 1.5% of par. Tax-exempt series capitalized interest through 7/1/2024; Taxable series capitalized interest through 10/1/2023

## Disclosures (continued)

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