

October 28, 2020

Town of McClellanville
405 Pinckney Street
McClellanville, SC 29458

Re: Municipal Boat Landing Improvements Request

Dear Honorable Mayor Leland, and Town Council Members

Pinnacle Bank ("**Lender**") has considered your request for financing of the above referenced property and is pleased to inform you that the Lender has agreed (**the "Commitment"**) to make available to Borrower a loan (**the "Loan"**) upon the terms and subject to the conditions hereinafter set forth.

Borrower: Town of McClellanville. ("**Borrower**").

Amount: Two Hundred Fifteen Thousand and 00/100 Dollars (\$215,000.00).

Purpose: Demolish old dock, and rebuild new floating dock located at the towns municipal boat landing.

Commitment Fee: There is no commitment fee associated with this loan.

Interest Rate: Loan will be on a fixed rate of 2.95%.

Term/Repayment: The loan term will be ten (10) years. The Loan(s) shall be payable in one hundred twenty (120) consecutive monthly payments of principal and interest. The Loan payment will be based on ten (10) year straight term maturity.

Prepayment: There is no prepayment penalty associated with this loan.

Late Charge: Any payment of principal or interest not received by Lender within ten (10) days after its due date, a late charge of five percent (5%) of such overdue amount or \$25.00, whichever is greater will, at Lender's option, be payable by Borrower.

Default Interest: Upon default, at Lender's option, and if permitted by applicable law, Lender may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note. Upon default, the total sum due under this Note will continue to accrue interest at the interest rate under this Note, with the final interest rate described in this Note applying after maturity, or after maturity would have occurred had there been no default. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

Covenants: In addition to such affirmative and negative covenants as are typically required by the Lender, the Loan documents will contain the following additional covenants:

- (a) **Deposit Accounts.** Borrower agrees to maintain deposit relationship with Pinnacle Bank during the life of the loan.

Conditions Precedent: The provisions of this Commitment are subject to and conditioned upon Lender's receipt of the following, in each instance in form and substance satisfactory to Lender:

Loan: This Commitment is subject to the execution of Lender's standard Loan documents containing such representations, warranties, affirmative and negative covenants, indemnities, waivers, closing conditions, defaults, events of default and remedies as are typically required by Lender and/or are customary in this type of transaction, including without limitation, waivers of jury trial. Borrower acknowledges that not every provision imposing duties, burdens or limitations on Borrower has been set forth in this Commitment Letter. The failure of Borrower and Lender to reach agreement on such provisions shall not be deemed a breach by Lender of this Commitment.

Miscellaneous:

(a) Assignment. Neither this Commitment nor the Loan proceeds are assignable by Borrower without the prior written consent of Lender, and any purported or attempted assignment without such consent shall be void and of no force or effect.

(b) Integration. This Commitment contains the entire understanding between Lender and Borrower, and supersedes in its entirety any prior understandings, agreements and correspondence between them respecting the subject matter hereof.

(c) Governing Law. This Commitment and the transactions described therein and herein will be governed by and construed according to the laws of the State of South Carolina, without reference to conflict of laws principles.

(d) Modification. No change or modification of this Commitment will be valid and binding unless acknowledged and confirmed in writing by an authorized officer of Lender.

(f) Time of the Essence. With respect to the performance of all obligations of Borrower under this Commitment Letter, time is agreed to be of the essence.

(g) Liability of Lender. By accepting or approving anything required to be observed, performed or fulfilled by Borrower or to be given to Lender pursuant to the terms of this Commitment, including without limitation, any certificate, financial statement, Lender shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or representation to any party with respect thereto by Lender.

(h) Waiver of Jury Trial. To the extent permitted by applicable law, Borrower and Lender knowingly, voluntarily and irrevocably waive any right they may have to trial by jury in any action or proceeding between Borrower and Lender in connection with or arising out of this Commitment and the transactions related hereto.

(i) Waiver of Rights of Lender. Neither the failure nor the delay by Lender to exercise any right, power or privilege under this Commitment shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise of any other right, power or privilege.

Closing:

The closing of the Loan will take place at the offices of Borrower's attorney (if borrower requests an attorney) on a date, which shall be on or before 12/28/2020. If the Loan is not closed by such date this Commitment shall become null and void, any and all obligations set forth herein or in any other related documents will not be enforceable, and the Lender will have no commitment to lend, unless an extension from the Lender in writing is obtained by the Borrower.

Acceptance:

This Commitment is open for your acceptance until the close of business 30 days from the date of this letter. The loan shall be closed within 60 days of this Commitment; otherwise, this Commitment to lend shall be null and void.

This Commitment is intended for the benefit of Borrower and no other person is intended to be nor shall any other person be a beneficiary of this Commitment or entitled to rely upon this Commitment. This Commitment may not be assigned or otherwise transferred without the prior consent of Lender.

We appreciate the opportunity to present this commitment letter to you. To acknowledge your acceptance of this commitment, please sign where indicated below and return the original of this letter to my attention. Please do not hesitate to call me at (843) 216-3021 if I can be of further assistance.

Very truly yours,
Pinnacle Bank



Kim Racine
Vice President

BORROWER: The Town of McClellanville

By _____

Title _____