

ELIZABETHTOWN AREA SCHOOL DISTRICT



Financing Update

December 3, 2024

Raymond James Public Finance

570 Lausch Lane, Suite 101
Lancaster, PA 17601

Lou Verdelli

Managing Director

(717) 293-6450

lou.verdelli@raymondjames.com

Lauren Stadel

Managing Director

(717) 293-6448

lauren.stadel@raymondjames.com

PFM Financial Advisors LLC

100 Market Street
Harrisburg, PA 17101

Brad Remig

Managing Director

(717) 231-6263

remigb@pfm.com

RAYMOND JAMES



- **Credit Rating**

- Moody's Aa3 rating (affirmed April 29, 2024)
 - Maintain healthy cash reserves
 - Careful planning for major future capital projects – 5 to 6 years in advance, telling the District's story to credit rating agency

- **Existing Debt & Borrowing Capacity**

- \$55,950,000 of principal outstanding currently
- \$111,500,000 of projected 2024/25 borrowing capacity
- \$152,300,000 of projected 2029/30 borrowing capacity

- **Financing Projects in Act 1 Era**

- **Build additional millage into budget in advance of project/borrowings**
 - District could deposit unused funds in capital project fund
 - Funds could be used towards reducing future borrowings
 - Excess funds could also be used to help phase-in borrowing impact

- **Basic Rules**

- Must have reasonable expectation to spend 85% of borrowed funds within 3 years
- Bond proceeds can only be used for capital costs, not budget items like salaries

GROSS DEBT SERVICE – PRIOR TO STATE REIMBURSEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Fiscal Year Ending	G.O. Bonds Series of 2019	G.O. Bonds Series A of 2019	G.O. Bonds Series of 2020	G.O. Bonds Series A of 2020	G.O. Bonds Series of 2021	G.O. Bonds Series A of 2021	G.O. Bonds Series of 2022	G.O. Bonds Series of 2024	Total Gross Debt Service
	6/30/2025	2,475,200	350,360	222,350	183,650	232,950	630,325	588,500	708,842	5,392,177
	6/30/2026	1,357,600	350,263	370,538	1,136,688	242,000	632,625	695,200	753,256	5,538,169
	6/30/2027	0	350,138	1,631,650	1,242,825	146,475	65,900	189,550	836,713	4,463,250
	6/30/2028	0	350,013	1,638,950	1,229,300	146,375	65,588	189,050	842,750	4,462,025
	6/30/2029	0	349,888	1,637,950	1,231,050	146,225	65,150	188,550	842,625	4,461,438
	6/30/2030	0	349,763	1,631,400	1,242,200	146,075	64,650	188,050	837,375	4,459,513
	6/30/2031	0	349,625	1,287,750	1,015,050	549,775	64,150	187,550	929,625	4,383,525
	6/30/2032	0	487,375	0	0	2,251,225	63,650	271,200	1,007,125	4,080,575
	6/30/2033	0	487,950	0	0	2,161,950	63,150	283,850	1,085,000	4,081,900
	6/30/2034	0	980,875	0	0	0	285,400	1,207,000	1,626,125	4,099,400
	6/30/2035	0	980,925	0	0	0	290,300	1,205,600	1,621,750	4,098,575
	6/30/2036	0	976,900	0	0	0	290,050	1,208,750	1,624,875	4,100,575
	6/30/2037	0	978,500	0	0	0	289,700	1,206,450	1,625,250	4,099,900
	6/30/2038	0	978,900	0	0	0	289,250	1,208,700	1,622,875	4,099,725
	6/30/2039	0	978,100	0	0	0	293,650	1,205,500	1,622,625	4,099,875
	6/30/2040	0	981,000	0	0	0	292,900	1,201,900	1,624,250	4,100,050
	6/30/2041	0	977,600	0	0	0	0	0	3,065,625	4,043,225
	6/30/2042	0	977,900	0	0	0	0	0	3,064,750	4,042,650
	6/30/2043	0	976,800	0	0	0	0	0	0	976,800
	6/30/2044	0	979,200	0	0	0	0	0	0	979,200
TOTALS		3,832,800	14,192,073	8,420,588	7,280,763	6,023,050	3,746,438	11,225,400	25,341,436	80,062,546

Issue Details	Principal Outstanding ^[1] :	\$1,340,000	\$9,050,000	\$7,660,000	\$6,670,000	\$4,820,000	\$2,650,000	\$8,760,000	\$15,000,000	\$55,950,000
	Purpose:	CR 2013	NM	CR 12, 15	CR 12, 15A	CR 2016	CR 2016A	CR 2017	NM	
	Call Date:	9/1/2024	9/1/2024	11/15/2025	11/15/2025	11/15/2026	11/15/2026	5/15/2027	11/15/2031	
	Avg. Coupon:	3.27%	3.87%	2.25%	2.27%	2.95%	2.29%	2.02%	4.98%	
	Reimb %:	28.40%	0.00%	27.85%	28.06%	2.25%	11.87%	6.59%	0.00%	
	24/25 MVAR%	50.38%	50.38%	50.38%	50.38%	50.38%	50.38%	50.38%	50.38%	
	School Share:	85.69%	100.00%	85.97%	85.86%	98.87%	94.02%	96.68%	100.00%	
	State Share:	14.31%	0.00%	14.03%	14.14%	1.13%	5.98%	3.32%	0.00%	

Purpose Codes: NM = New Money CR = Current Refunding AR = Advance Refunding DR = Debt Restructuring

[1] Outstanding principal as of November 20, 2024

NET DEBT SERVICE – AFTER STATE REIMBURSEMENT

	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Fiscal Year Ended	G.O. Bonds Series of 2019	G.O. Bonds Series A of 2019	G.O. Bonds Series of 2020	G.O. Bonds Series A of 2020	G.O. Bonds Series of 2021	G.O. Bonds Series A of 2021	G.O. Bonds Series of 2022	G.O. Bonds Series of 2024	Total Net Debt Service
	6/30/2025	2,121,050	350,360	191,152	157,688	230,309	592,631	568,962	708,842	4,920,995
	6/30/2026	1,163,356	350,263	318,548	975,998	239,257	594,793	672,119	753,256	5,067,590
	6/30/2027	0	350,138	1,402,716	1,067,131	144,815	61,959	183,257	836,713	4,046,728
	6/30/2028	0	350,013	1,408,992	1,055,518	144,716	61,665	182,773	842,750	4,046,427
	6/30/2029	0	349,888	1,408,132	1,057,021	144,567	61,254	182,290	842,625	4,045,777
	6/30/2030	0	349,763	1,402,501	1,066,595	144,419	60,784	181,807	837,375	4,043,243
	6/30/2031	0	349,625	1,107,068	871,556	543,543	60,314	181,323	929,625	4,043,054
	6/30/2032	0	487,375	0	0	2,225,706	59,844	262,196	1,007,125	4,042,246
	6/30/2033	0	487,950	0	0	2,137,443	59,374	274,426	1,085,000	4,044,193
	6/30/2034	0	980,875	0	0	0	268,333	1,166,927	1,626,125	4,042,260
	6/30/2035	0	980,925	0	0	0	272,940	1,165,574	1,621,750	4,041,188
	6/30/2036	0	976,900	0	0	0	272,705	1,168,619	1,624,875	4,043,099
	6/30/2037	0	978,500	0	0	0	272,376	1,166,395	1,625,250	4,042,521
	6/30/2038	0	978,900	0	0	0	271,953	1,168,571	1,622,875	4,042,298
	6/30/2039	0	978,100	0	0	0	276,089	1,165,477	1,622,625	4,042,291
	6/30/2040	0	981,000	0	0	0	275,384	1,161,996	1,624,250	4,042,631
	6/30/2041	0	977,600	0	0	0	0	0	3,065,625	4,043,225
	6/30/2042	0	977,900	0	0	0	0	0	3,064,750	4,042,650
	6/30/2043	0	976,800	0	0	0	0	0	0	976,800
	6/30/2044	0	979,200	0	0	0	0	0	0	979,200
TOTALS		3,284,406	14,192,073	7,239,109	6,251,508	5,954,776	3,522,397	10,852,712	25,341,436	76,638,416

Issue Details	Principal Outstanding ^[1] :	\$1,340,000	\$9,050,000	\$7,660,000	\$6,670,000	\$4,820,000	\$2,650,000	\$8,760,000	\$15,000,000	\$55,950,000
Purpose:	CR 2013	NM	CR 12, 15	CR 12, 15A	CR 2016	CR 2016A	CR 2017	NM		
Call Date:	9/1/2024	9/1/2024	11/15/2025	11/15/2025	11/15/2026	11/15/2026	5/15/2027	11/15/2031		
Avg. Coupon:	3.27%	3.87%	2.25%	2.27%	2.95%	2.29%	2.02%	4.98%		
Reimb %:	28.40%	0.00%	27.85%	28.06%	2.25%	11.87%	6.59%	0.00%		
24/25 MVAR%	50.38%	50.38%	50.38%	50.38%	50.38%	50.38%	50.38%	50.38%		
School Share:	85.69%	100.00%	85.97%	85.86%	98.87%	94.02%	96.68%	100.00%		
State Share:	14.31%	0.00%	14.03%	14.14%	1.13%	5.98%	3.32%	0.00%		

Purpose Codes: NM = New Money CR = Current Refunding AR = Advance Refunding DR = Debt Restructuring

[1] Outstanding principal as of November 20, 2024

BORROWING BASE AND REMAINING BORROWING CAPACITY

ELIZABETHTOWN AREA SCHOOL DISTRICT			Prepared: 9/6/2024						
PROJECTED BORROWING BASE AND CAPACITY			1	2	3	4	5	6	7
			Actual	Projected	Projected	Projected	Projected	Projected	Projected
			FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030
Revenues less exceptions	Year 1		68,104,101	70,160,312	73,703,374	75,914,475	78,191,909	80,537,667	82,953,797
	Year 2		70,160,312	73,703,374	75,914,475	78,191,909	80,537,667	82,953,797	85,442,411
	Year 3		<u>73,703,374</u>	<u>75,914,475</u>	<u>78,191,909</u>	<u>80,537,667</u>	<u>82,953,797</u>	<u>85,442,411</u>	<u>88,005,683</u>
			211,967,787	219,778,161	227,809,759	234,644,051	241,683,373	248,933,874	256,401,890
A. Borrowing Base (3 Yr. Avg.)			70,655,929	73,259,387	75,936,586	78,214,684	80,561,124	82,977,958	85,467,297
Limit			225%	225%	225%	225%	225%	225%	225%
B. Non-Electoral Debt Limit (A x 225%)			158,975,840	164,833,621	170,857,319	175,983,039	181,262,530	186,700,406	192,301,418
Less: G.O. Debt Outstanding as of:			6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030
G.O. Bonds, Series of 2019			3,740,000	1,340,000	0	0	0	0	0
G.O. Bonds, Series of 2019A			9,055,000	9,050,000	9,045,000	9,040,000	9,035,000	9,030,000	9,025,000
G.O. Bonds, Series of 2020			7,715,000	7,660,000	7,455,000	5,965,000	4,430,000	2,865,000	1,275,000
G.O. Bonds, Series of 2020A			6,695,000	6,670,000	5,675,000	4,540,000	3,390,000	2,215,000	1,005,000
G.O. Bonds, Series of 2021			4,910,000	4,820,000	4,720,000	4,715,000	4,710,000	4,705,000	4,700,000
G.O. Bonds, Series of 2021A			3,205,000	2,650,000	2,070,000	2,045,000	2,020,000	1,995,000	1,970,000
G.O. Bonds, Series of 2022			9,155,000	8,760,000	8,240,000	8,215,000	8,190,000	8,165,000	8,140,000
G.O. Bonds, Series of 2024			15,000,000	15,000,000	14,995,000	14,905,000	14,805,000	14,700,000	14,595,000
C. Total G.O. Debt Outstanding			59,475,000	55,950,000	52,200,000	49,425,000	46,580,000	43,675,000	40,710,000
D. Remaining Borrowing Capacity			99,500,840	108,883,621	118,657,319	126,558,039	134,682,530	143,025,406	151,591,418
With Out Subsidized Debt Exclusions (B-C)									
Less: Subsidized Debt									
	PE	AR (24-25) %							
G.O. Bonds, Series of 2019	28.40%	50.38%	535,116	191,726	0	0	0	0	0
G.O. Bonds, Series of 2019A	0.00%	50.38%	0	0	0	0	0	0	0
G.O. Bonds, Series of 2020	27.85%	50.38%	1,082,479	1,074,762	1,045,998	836,939	621,566	401,983	178,893
G.O. Bonds, Series of 2020A	28.08%	50.38%	946,447	942,913	802,254	641,803	479,232	313,126	142,073
G.O. Bonds, Series of 2021	2.25%	50.38%	55,657	54,637	53,504	53,447	53,390	53,334	53,277
G.O. Bonds, Series of 2021A	11.87%	50.38%	191,662	158,473	123,788	122,293	120,798	119,303	117,808
G.O. Bonds, Series of 2022	6.58%	50.38%	303,950	290,836	273,571	272,741	271,911	271,081	270,251
G.O. Bonds, Series of 2024	0.00%	50.38%	0	0	0	0	0	0	0
E. Total Subsidized Debt			3,115,312	2,713,346	2,299,115	1,927,223	1,546,897	1,158,828	762,303
F. Net G.O. Debt Outstanding (C-E)			56,359,688	53,236,654	49,900,885	47,497,777	45,033,103	42,516,172	39,947,697
G. REMAINING BORROWING CAPACITY			102,616,152	111,596,967	120,956,434	128,485,262	136,229,427	144,184,233	152,353,720
WITH SUBSIDIZED DEBT EXCLUSIONS (B-F)									

Assumptions:

- No Additional Debt
- Projected revenue growth of 3.000% per year

MILLAGE REQUIREMENT STUDY - LONG RANGE CAPITAL PLANNING

	1	2	3	4	5	6	7	8	9	10	11
Fiscal Year Ended	Existing Net Debt Service	PROPOSED Series of 2027 \$37,500,000	Proposed Series of 2028 \$37,500,000	PROPOSED Series of 2029 \$37,500,000	PROPOSED Series of 2030 \$37,500,000	Less: SD Reserves/ Cap Interest	New Net Debt Service	New Budget Dollars for Projects	New Budget Mills for Projects	Millage Increase as a %	Dollars Appropriated for Debt
6/30/2025	4,920,995	0	0	0	0	0	4,920,995	0	0.00	0.00%	4,100,000
6/30/2026	5,067,590	0	0	0	0	0	5,067,590	885,000	0.39	2.00%	4,985,000
6/30/2027	4,046,728	0	0	0	0	0	4,046,728	905,000	0.40	2.00%	5,890,000
6/30/2028	4,046,427	2,062,500	0	0	0	0	6,108,927	920,000	0.41	2.00%	6,810,000
6/30/2029	4,045,777	2,062,500	2,062,500	0	0	420,777	7,750,000	940,000	0.42	2.00%	7,750,000
6/30/2030	4,043,243	2,062,500	2,062,500	2,062,500	0	1,520,743	8,710,000	960,000	0.43	2.00%	8,710,000
6/30/2031	4,043,054	2,062,500	2,062,500	2,062,500	2,552,500	3,093,054	9,690,000	980,000	0.44	2.00%	9,690,000
6/30/2032	4,042,246	2,062,500	2,062,500	2,062,500	2,555,550	2,095,296	10,690,000	1,000,000	0.44	2.00%	10,690,000
6/30/2033	4,044,193	2,062,500	2,062,500	2,062,500	2,551,950	1,073,643	11,710,000	1,020,000	0.45	2.00%	11,710,000
6/30/2034	4,042,260	2,062,500	2,062,500	2,062,500	2,551,975	31,735	12,750,000	1,040,000	0.46	2.00%	12,750,000
6/30/2035	4,041,188	2,062,500	2,062,500	2,062,500	2,555,350	0	12,784,038	35,000	0.02	0.07%	12,785,000
6/30/2036	4,043,099	2,062,500	2,062,500	2,062,500	2,551,800	0	12,782,399	0	0.00	0.00%	12,785,000
6/30/2037	4,042,521	2,062,500	2,062,500	2,062,500	2,551,600	0	12,781,621	0	0.00	0.00%	12,785,000
6/30/2038	4,042,298	2,062,500	2,062,500	2,062,500	2,554,475	0	12,784,273	0	0.00	0.00%	12,785,000
6/30/2039	4,042,291	2,062,500	2,062,500	2,062,500	2,555,150	0	12,784,941	0	0.00	0.00%	12,785,000
6/30/2040	4,042,631	2,062,500	2,062,500	2,062,500	2,553,625	0	12,783,756	0	0.00	0.00%	12,785,000
6/30/2041	4,043,225	2,062,500	2,062,500	2,062,500	2,554,900	0	12,785,625	0	0.00	0.00%	12,785,000
6/30/2042	4,042,650	2,062,500	2,062,500	2,062,500	2,553,700	0	12,783,850	0	0.00	0.00%	12,785,000
6/30/2043	976,800	2,517,500	3,332,500	3,337,500	2,620,025	0	12,784,325	0	0.00	0.00%	12,785,000
6/30/2044	979,200	2,517,475	3,332,650	3,332,375	2,620,025	0	12,781,725	0	0.00	0.00%	12,785,000
6/30/2045	0	3,496,075	3,333,950	3,333,675	2,617,000	0	12,780,700	0	0.00	0.00%	12,785,000
6/30/2046	0	3,494,400	3,336,125	3,335,850	2,615,950	0	12,782,325	0	0.00	0.00%	12,785,000
6/30/2047	0	3,493,325	3,333,900	3,338,625	2,616,600	0	12,782,450	0	0.00	0.00%	12,785,000
6/30/2048	0	3,492,575	3,337,275	3,336,725	2,618,675	0	12,785,250	0	0.00	0.00%	12,785,000
6/30/2049	0	3,496,875	3,330,700	3,335,150	2,621,900	0	12,784,625	0	0.00	0.00%	12,785,000
6/30/2050	0	3,495,675	3,334,450	3,333,625	2,621,000	0	12,784,750	0	0.00	0.00%	12,785,000
6/30/2051	0	3,493,975	3,337,700	3,331,875	2,620,975	0	12,784,525	0	0.00	0.00%	12,785,000
6/30/2052	0	3,496,500	3,335,175	3,334,625	2,616,550	0	12,782,850	0	0.00	0.00%	12,785,000
6/30/2053	0	3,492,700	3,336,875	3,336,325	2,617,725	0	12,783,625	0	0.00	0.00%	12,785,000
6/30/2054	0	3,497,575	3,332,250	3,331,700	2,623,950	0	12,785,475	0	0.00	0.00%	12,785,000
6/30/2055	0	3,495,300	3,336,300	3,330,750	2,619,675	0	12,782,025	0	0.00	0.00%	12,785,000
6/30/2056	0	3,495,875	3,333,200	3,332,925	2,620,175	0	12,782,175	0	0.00	0.00%	12,785,000
6/30/2057	0	3,493,750	3,337,950	3,332,675	2,619,900	0	12,784,275	0	0.00	0.00%	12,785,000
6/30/2058	0	3,493,650	3,334,725	3,334,725	2,618,575	0	12,781,675	0	0.00	0.00%	12,785,000
6/30/2059	0	3,495,025	3,333,525	3,333,525	2,620,925	0	12,783,000	0	0.00	0.00%	12,785,000
6/30/2060	0	3,497,325	3,333,800	3,333,800	2,616,400	0	12,781,325	0	0.00	0.00%	12,785,000
	76,638,416	91,893,075	88,898,050	86,828,950	77,788,600	8,235,248	413,811,843	8,685,000	3.86		

Projected Project Cost = \$175,000,000

Sources:	
Bond Proceeds	154,000,000
Interest Earnings	3,800,000
District Cash	19,000,000
Total Sources	176,800,000
Uses:	
Capital Projects	175,000,000
Issuance Costs	1,800,000
Total Uses	176,800,000

(1) Annual Net Debt Service for Series of 2019, 2019A, 2020, 2020A, 2021, 2021A, 2022 and 2024 Issues.

(2) Proposed Series of 2027, \$37,500,000 dated 6/1/27, Avg Coupon 5.50% (5.30% Yield). Current rates + 75 bps. No state reimbursement.

(3) Proposed Series of 2028, \$37,500,000 dated 6/1/28, Avg Coupon 5.50% (5.30% Yield). Current rates + 75 bps. No state reimbursement.

(4) Proposed Series of 2029, \$37,500,000 dated 6/1/29, Avg Coupon 5.50% (5.30% Yield). Current rates + 75 bps. No state reimbursement.

(5) Proposed Series of 2030, \$37,500,000 dated 6/1/30, Avg Coupon 5.50% (5.30% Yield). Current rates + 75 bps. No state reimbursement.

(9) Assumes value of 1 collected mill = \$2,250,000 (per the District as of September 2024).

(10) Based on the assumption that 19.70 mills are in place for the 2024/25 school year.

(11) Assumes District currently funded to approximately \$4,100,000 for annual net debt service.

- **This plan is a roadmap**
 - As the Board decides what path to go down, the financing plan will change
 - Act 1 Index
 - Interest rate fluctuations
 - Project timing

- **Rating Considerations**
 - Significant debt is, in a vacuum, a credit negative
 - Having a plan in place demonstrates financial discipline to rating agencies
 - District is currently very low in debt as % of budget
 - Largest rating factors District can influence amid major capital projects:
 - Maintaining and/or building reserves
 - Raising revenues to cover rising budgetary pressures (both debt and operations)
 - Maintaining enrollment levels through District-initiated measures

- **Debt Opportunities**
 - Financing team will continue to monitor markets and available financing vehicles
 - Debt refinancings and grants may help ease the burden, but major capital projects typically require tax increases

The information contained herein is solely intended to facilitate discussion of potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement. While we believe that the outlined financial structure or marketing strategy is the best approach under the current market conditions, the market conditions at the time any proposed transaction is structured or sold may be different, which may require a different approach.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

Raymond James shall have no liability, contingent or otherwise, to the recipient hereof or to any third party, or any responsibility whatsoever, for the accuracy, correctness, timeliness, reliability or completeness of the data or formulae provided herein or for the performance of or any other aspect of the materials, structures and strategies presented herein. This Presentation is provided to you for the purpose of your consideration of the engagement of Raymond James as an underwriter and not as your financial advisor or Municipal Advisor (as defined in Section 15B of the Exchange Act of 1934, as amended), and we expressly disclaim any intention to act as your fiduciary in connection with the subject matter of this Presentation. The information provided is not intended to be and should not be construed as a recommendation or “advice” within the meaning of Section 15B of the above-referenced Act. Any portion of this Presentation which provides information on municipal financial products or the issuance of municipal securities is only given to provide you with factual information or to demonstrate our experience with respect to municipal markets and products. Municipal Securities Rulemaking Board (“MSRB”) Rule G-17 requires that we make the following disclosure to you at the earliest stages of our relationship, as underwriter, with respect to an issue of municipal securities: the underwriter’s primary role is to purchase securities with a view to distribution in an arm’s-length commercial transaction with the issuer and it has financial and other interests that differ from those of the issuer.

Raymond James does not provide accounting, tax or legal advice; however, you should be aware that any proposed transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and/or legal counsel.

Raymond James and affiliates, and officers, directors and employees thereof, including individuals who may be involved in the preparation or presentation of this material, may from time to time have positions in, and buy or sell, the securities, derivatives (including options) or other financial products of entities mentioned herein. In addition, Raymond James or affiliates thereof may have served as an underwriter or placement agent with respect to a public or private offering of securities by one or more of the entities referenced herein.

This Presentation is not a binding commitment, obligation, or undertaking of Raymond James. No obligation or liability with respect to any issuance or purchase of any Bonds or other securities described herein shall exist, nor shall any representations be deemed made, nor any reliance on any communications regarding the subject matter hereof be reasonable or justified unless and until (1) all necessary Raymond James, rating agency or other third party approvals, as applicable, shall have been obtained, including, without limitation, any required Raymond James senior management and credit committee approvals, (2) all of the terms and conditions of the documents pertaining to the subject transaction are agreed to by the parties thereto as evidenced by the execution and delivery of all such documents by all such parties, and (3) all conditions hereafter established by Raymond James for closing of the transaction have been satisfied in our sole discretion. Until execution and delivery of all such definitive agreements, all parties shall have the absolute right to amend this Presentation and/or terminate all negotiations for any reason without liability therefor. Thomson Reuters Municipal Market Data (“MMD”) is a proprietary yield curve which provides the offer-side of AAA rated state general obligation bonds as determined by the MMD analyst team. Raymond James & Associates, Inc., member New York Stock Exchange/SIPC.