



All of **us** serving you<sup>®</sup>

**Government Leasing and Finance**

January 9, 2018

**City of Fayetteville, NC**

At your request, U.S. Bancorp Government Leasing and Finance, Inc. ("USBGLF") has prepared for your consideration the following proposal for financing ("Proposal"). **This is only a proposal and does not represent a commitment by U.S. Bancorp Government Leasing and Finance, Inc.**

|                     |   |             |                 |               |                    |             |                    |
|---------------------|---|-------------|-----------------|---------------|--------------------|-------------|--------------------|
| <b>Customer:</b>    | City of Fayetteville                              |             |                 |               |                    |             |                    |
| <b>Lessor:</b>      | U.S. Bancorp Government Leasing and Finance, Inc. |             |                 |               |                    |             |                    |
| <b>PROPERTY:</b>    | Motorola 800 mhz radio                            |             |                 |               |                    |             |                    |
| <b>EXPIRATION:</b>  | March 4, 2018                                     |             |                 |               |                    |             |                    |
| <b>LEASE QUOTE:</b> | <b>Amount</b>                                     | <b>Rate</b> | <b>Payments</b> | <b>Factor</b> | <b>Pmts / Year</b> | <b>Term</b> | <b>Adv. / Arr.</b> |
|                     | 3,228,495.00                                      | 2.45%       | 426,114.84      | 0.1319856     | 2                  | 48 Months   | Arrears            |

**Escrow:** Funds will be deposited into a no fee U.S. Bank N.A. escrow account at closing, the investment selection is at the discretion of the Borrower from available investment fund options.

**Additional Costs/Fees:** None. We expect to use standard documentation and no external counsel.

**Prepayment Options:** Prepayment is permitted after 13 months on any payment date at the lower of a break funding fee or 103% of outstanding balance

**Opinions:** If the funding amount is over \$5 million, a tax opinion will be required from nationally recognized "Red Book" bond counsel. A validity opinion is required for all funding amounts.

**Amortization Schedules:** Attached, assumes January 25, 2018 Closing/Funding date.

The financing will be structured as a Master Tax-exempt Installment Payment Plan, with title in the Borrower's name and USBGLF holding a security interest in the equipment during the term. The Installment Payment Plan is "triple-net" with the Borrower responsible for taxes, maintenance and insurance. Documentation will be provided by USBGLF, including (i) standard representations, warranties and covenants by the Borrower pertaining to the accuracy of information, organization, authority, essential use, compliance with laws, pending legal action, location and use of collateral, insurance, financial reporting and financial covenants; and (ii) standard USBGLF provisions pertaining to events of default and remedies available upon default. This offer is subject to the execution of all documentation by the Borrower within a reasonable time and in form and substance acceptable to Borrower, USBGLF and USBGLF's counsel, including terms and conditions not outlined in this Proposal.

This Proposal is conditioned on there being no material adverse change in the financial condition of the Borrower. Additionally, the terms and conditions outlined herein are subject to final review and approval (including collateral and essential use review) by



All of **us** serving you®

## Government Leasing and Finance

USBGLF's business, legal, credit, and equipment risk management personnel. If you would like to proceed, please complete the Essential Use Application and return along with a link to your 3 most recent Comprehensive Annual Financial Reports.

Thank you for the opportunity to present this proposal. Other financing options are available on request.

Sincerely,

*Denise Beauchamp*

Denise Beauchamp  
Vice President  
Direct (904) 284-3520  
denise.beauchamp@usbank.com

|              |               |                |                  |                 |                           |
|--------------|---------------|----------------|------------------|-----------------|---------------------------|
|              | <b>Totals</b> | 3,408,918.73   | 3,228,495.00     | 180,423.73      | 0.00                      |
|              |               |                |                  |                 |                           |
|              |               |                |                  |                 |                           |
| <b>Pay #</b> | <b>Date</b>   | <b>Payment</b> | <b>Principal</b> | <b>Interest</b> | <b>Prepayment Balance</b> |
| 1            | 25-Jul-2018   | 426,114.84     | 386,581.92       | 39,532.92       | 2,927,170.47              |
| 2            | 25-Jan-2019   | 426,114.84     | 391,315.62       | 34,799.23       | 2,524,115.39              |
| 3            | 25-Jul-2019   | 426,114.84     | 396,107.28       | 30,007.57       | 2,116,124.89              |
| 4            | 25-Jan-2020   | 426,114.84     | 400,957.61       | 25,157.23       | 1,703,138.56              |
| 5            | 25-Jul-2020   | 426,114.84     | 405,867.33       | 20,247.51       | 1,285,095.20              |
| 6            | 25-Jan-2021   | 426,114.84     | 410,837.18       | 15,277.66       | 861,932.91                |
| 7            | 25-Jul-2021   | 426,114.84     | 415,867.88       | 10,246.96       | 433,588.99                |
| 8            | 25-Jan-2022   | 426,114.84     | 420,960.18       | 5,154.66        | 0.00                      |