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**Government Leasing and Finance**

February 16, 2016

*City of San Marcos, TX*

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 San Marcos, TX						
<b>Lessor:</b>	U.S. Bancorp Government Leasing and Finance, Inc.						
<b>PROPERTY:</b>	Grader						
<b>EXPIRATION:</b>	March 27, 2016						
<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>
	359,120.45	1.92%	27,322.78	0.0760825	2	7 Years	Custom

Notes: There are no fees associated with this offer including the establishment and use of a U.S. Bank N.A. escrow account should one be required. The financing must be funded in full to the vendor or into an escrow account by March 27, 2016 to lock in the above referenced interest rates.

The Lease will be structured as a tax-exempt municipal lease, with title in the Lessee's name and USBGLF holding a security interest in the equipment during the term. The lease is "triple-net" with the Lessee responsible for taxes, maintenance and insurance. Documentation will be provided by USBGLF, including (i) standard representations, warranties and covenants by the Lessee 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 Lessee within a reasonable time and in form and substance acceptable to Lessee, 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 Lessee. Additionally, the terms and conditions outlined herein are subject to final review and approval (including collateral and essential use review) by USBGLF's business, legal, credit, and equipment risk management personnel.

Sincerely,

*Tasha Barreau*

Tasha Barreau  
Vice President  
U.S. Bancorp Government Leasing & Finance, Inc.  
Phone: 303-585-4053/ 303-330-4160  
Email: tasha.barreau@usbank.com



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## Government Leasing and Finance

### ACCEPTANCE:

By accepting this Proposal, Lessee acknowledges that **this Proposal does not represent a commitment to provide financing** but only outlines general terms and conditions of the USBGLF's financing program currently available to qualified lessees.

### ACCEPTED BY:

\_\_\_\_\_  
Name / Title

dated: \_\_\_\_\_

## Payment Schedules

*Assumes a April 1, 2016 Commencement*

<b>Totals</b>	382,518.86	359,120.45	23,398.41	0.00
<b><u>Date</u></b>	<b><u>Payment</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Ending Balance</u></b>
1-May-2016	27,322.78	26,748.93	573.84	332,371.52
1-Nov-2016	27,322.78	24,123.41	3,199.37	308,248.11
1-May-2017	27,322.78	24,355.62	2,967.16	283,892.50
1-Nov-2017	27,322.78	24,590.06	2,732.72	259,302.44
1-May-2018	27,322.78	24,826.76	2,496.01	234,475.68
1-Nov-2018	27,322.78	25,065.74	2,257.04	209,409.94
1-May-2019	27,322.78	25,307.02	2,015.76	184,102.91
1-Nov-2019	27,322.78	25,550.62	1,772.15	158,552.29
1-May-2020	27,322.78	25,796.57	1,526.21	132,755.72
1-Nov-2020	27,322.78	26,044.88	1,277.89	106,710.84
1-May-2021	27,322.78	26,295.59	1,027.19	80,415.25
1-Nov-2021	27,322.78	26,548.71	774.07	53,866.54
1-May-2022	27,322.78	26,804.26	518.51	27,062.28
1-Nov-2022	27,322.78	27,062.28	260.50	0.00