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**Government Leasing and Finance**

September 24, 2019

*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>	Vehicles						
<b>EXPIRATION:</b>	November 24, 2019						
<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>
	649,780.00	2.23%	226,324.41	0.3483093	1	36 Months	Arrears
	649,780.00	2.28%	138,978.56	0.2138856	1	60 Months	Arrears
	649,780.00	2.36%	101,792.77	0.1566573	1	84 Months	Arrears

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 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: 303-330-4160  
Email: tasha.barreau@usbank.com

## Payment Schedules

*Assume a November 8, 2019 commencement*

### 3 years

<b>Totals</b>	678,973.23	649,779.99	29,193.24	0.00
<b><u>Date</u></b>	<b><u>Payment</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Prepayment Balance</u></b>
8-Nov-2020	226,324.41	211,834.31	14,490.10	451,084.06
8-Nov-2021	226,324.41	216,558.22	9,766.19	228,029.09
8-Nov-2022	226,324.41	221,387.47	4,936.94	0.00

### 5 years

<b>Totals</b>	694,892.78	649,780.00	45,112.78	0.00
<b><u>Date</u></b>	<b><u>Payment</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Prepayment Balance</u></b>
8-Nov-2020	138,978.56	124,163.57	14,814.98	541,384.92
8-Nov-2021	138,978.56	126,994.50	11,984.05	410,580.58
8-Nov-2022	138,978.56	129,889.98	9,088.58	276,793.91
8-Nov-2023	138,978.56	132,851.47	6,127.09	139,956.90
8-Nov-2024	138,978.56	135,880.48	3,098.07	0.00

### 7 Years

<b>Totals</b>	712,549.37	649,780.00	62,769.37	0.00
<b><u>Date</u></b>	<b><u>Payment</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Prepayment Balance</u></b>
8-Nov-2020	101,792.77	86,457.96	15,334.81	580,221.70
8-Nov-2021	101,792.77	88,498.37	13,294.40	489,068.38
8-Nov-2022	101,792.77	90,586.93	11,205.84	395,763.85
8-Nov-2023	101,792.77	92,724.78	9,067.99	300,257.32
8-Nov-2024	101,792.77	94,913.09	6,879.68	202,496.85
8-Nov-2025	101,792.77	97,153.03	4,639.73	102,429.22
8-Nov-2026	101,792.77	99,445.85	2,346.92	0.00