



8/28/2020

Sent via: Email ksmith@burnetcountytexas.org

Burnet Co TX

It is a pleasure to submit for your consideration the following proposal to provide lease-purchase financing based on the terms and conditions set forth below:

1. Lessor: BancorpSouth Equipment Finance, a division of BancorpSouth Bank
2. Lessee: Burnet Co TX
3. Equipment Description: 1 or more 2021 Mack Dump Trucks
4. Equipment Cost: See attached AM schedules
5. Lease Term: 13 months
6. Lease Payments: (These are approximate payment amounts. The actual payment will be determined at funding date.)

See attached AM schedules
Arrears
7. Lease Rate: 2.34%
8. Funding Date: This proposal is contingent upon the equipment being delivered and the lease funded prior to ***increase in current prime rate of 3.25%..** Any extension of the funding date must be in writing.
9. Purchase Option: Title is passed to Lessee at lease expiration for no further consideration.

10. Non-appropriation/Termination: The lease provides that Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of non-appropriation. In such event, the Lessee agrees to provide an attorney's opinion confirming the events of non-appropriation and Lessee's exercise of diligence to obtain funds.

11. Bank Qualification: This lease-purchase financing shall be designated as a bank qualified tax-exempt transaction as per the 1986 Federal Tax Bill. **This means that the Lessee's governing body will pass a resolution stating that it does not anticipate issuing more than \$10 million in General Obligation debt or other debt falling under the Tax Bill's definition of qualifying debt during the calendar year that the lease is funded.**

12. Tax Status: This proposal is subject to the Lessee being qualified as a governmental entity or "political subdivision" within the meaning of Section 103(a) of the Internal Revenue Code of 1954 as amended, within the meaning of said Section. Lessee agrees to cooperate with Lessor in providing evidence as deemed necessary or desirable by Lessor to substantiate such tax status.

13. Net Lease: This will be a net lease transaction whereby maintenance, insurance, taxes (if applicable), compliance with laws and similar expenses shall be borne by Lessee.

14. Financial Statements: Complete and current financial statements must be submitted to Lessor for review and approval of Lessee creditworthiness.

15. Lease Documentation: This equipment lease-purchase package is subject to the mutual acceptance of lease-purchase documentation within a reasonable time period, otherwise payments will be subject to market change.

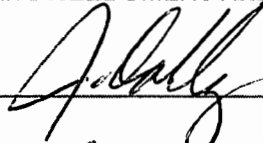
If the foregoing is acceptable, please so indicate by signing this letter in the space provided below and returning it to BancorpSouth Equipment Finance. **The proposal is subject to approval by BancorpSouth Equipment Finance's Credit Committee and to mutually acceptable terms, conditions and documentation.**

This proposal expires as of the close of business on 10/30/2020. Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Bob Lee at 1-800-222-1610.

Bob Lee
Bob Lee
Municipal Finance Manager

ACKNOWLEDGMENT AND ACCEPTANCE

By:  Title
Date: 9.22.2020

4 TRUCKS

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Compounding Period: Monthly

Nominal Annual Rate: 2.340%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	09/25/2020	540,800.00	1		
2	Payment	10/25/2020	0.00	12	Monthly	09/25/2021
3	Payment	10/25/2021	554,670.83	1		

TValue Amortization Schedule - Normal, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	09/25/2020				540,800.00
1	10/25/2020	0.00	1,054.56	-1,054.56	541,854.56
2	11/25/2020	0.00	1,056.62	-1,056.62	542,911.18
3	12/25/2020	0.00	1,058.68	-1,058.68	543,969.86
4	01/25/2021	0.00	1,060.74	-1,060.74	545,030.60
5	02/25/2021	0.00	1,062.81	-1,062.81	546,093.41
6	03/25/2021	0.00	1,064.88	-1,064.88	547,158.29
7	04/25/2021	0.00	1,066.96	-1,066.96	548,225.25
8	05/25/2021	0.00	1,069.04	-1,069.04	549,294.29
9	06/25/2021	0.00	1,071.12	-1,071.12	550,365.41
10	07/25/2021	0.00	1,073.21	-1,073.21	551,438.62
11	08/25/2021	0.00	1,075.31	-1,075.31	552,513.93
12	09/25/2021	0.00	1,077.40	-1,077.40	553,591.33
13	10/25/2021	554,670.83	1,079.50	553,591.33	0.00
Grand Totals		554,670.83	13,870.83	540,800.00	

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Dates may change at closing

3 TRUCKS

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Compounding Period: Monthly

Nominal Annual Rate: 2.340%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	09/25/2020	405,600.00	1		
2	Payment	10/25/2020	0.00	12	Monthly	09/25/2021
3	Payment	10/25/2021	416,003.13	1		

TValue Amortization Schedule - Normal, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	09/25/2020				405,600.00
1	10/25/2020	0.00	790.92	-790.92	406,390.92
2	11/25/2020	0.00	792.46	-792.46	407,183.38
3	12/25/2020	0.00	794.01	-794.01	407,977.39
4	01/25/2021	0.00	795.56	-795.56	408,772.95
5	02/25/2021	0.00	797.11	-797.11	409,570.06
6	03/25/2021	0.00	798.66	-798.66	410,368.72
7	04/25/2021	0.00	800.22	-800.22	411,168.94
8	05/25/2021	0.00	801.78	-801.78	411,970.72
9	06/25/2021	0.00	803.34	-803.34	412,774.06
10	07/25/2021	0.00	804.91	-804.91	413,578.97
11	08/25/2021	0.00	806.48	-806.48	414,385.45
12	09/25/2021	0.00	808.05	-808.05	415,193.50
13	10/25/2021	416,003.13	809.63	415,193.50	0.00
Grand Totals		416,003.13	10,403.13	405,600.00	

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Dates may change at closing