



7/3/2023

Sent Via Email: ksmith@burnetcountytexas.org

Burnet County, 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: Cadence Equipment Finance, a
division of Cadence Bank
2. Lessee: Burnet County, TX
3. Equipment Description: 4 Mack Dump Trucks
4. Equipment Cost: \$661,248.12
5. Lease Term: 13 months
6. Lease Payments: (These are approximate payment amounts. The
actual payment will be determined at funding
date.)

Pay off at any time with no penalty

1 Payment in 13 months of \$703,188.59
arrears
7. Lease Rate: 5.69% fixed at closing
8. Funding Date: This proposal is contingent upon the equipment
being delivered and the lease **funded prior to
increase of current prime rate of *8.25%** Any
extension of the funding or delivery date must be
in writing.
9. Purchase Option: Title is passed to Lessee at lease expiration for
no other 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 Cadence Equipment Finance's Credit Committee and to mutually acceptable terms, conditions and documentation.**

Acceptance of this proposal expires as the close of business on 7/25/2023. Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Bob Lee at 601-310-1091

Bob Lee

Bob Lee
Relationship Manager

ACKNOWLEDGMENT AND ACCEPTANCE

By: _____

Title

Date: _____