



242 W. 28th Street • Yuma, Arizona 85364 • (928) 344-3336 • Fax: (928) 783-5030

July 30, 2020

City of San Luis, Arizona
C/O Monica Castro
1090 E. Union St.
San Luis, AZ 85349

Re: Financing Proposal – Vacant land located in San Luis, AZ (APN: 227-15-025)

Dear Monica,

Thank you for considering 1st Bank Yuma for your financing needs. This letter is to confirm the Bank's commitment of the following credit facility. The terms and other details of the loan are presented below. Please note that this is a proposal, subject to formal credit approval.

Borrowers: The City of San Luis, Arizona
Amount: \$538,920 – Representing 75% of the estimated \$718,560 purchase price.
Loan Type: Term
Purpose: Purchase of vacant land.
Maturity: 5 years from date of Note.
Interest Rate: 3.80% Fixed Rate (tax free)
Fees: Loan fee of 1%.
Borrower will be responsible for all due diligence costs, to include appraisal, title, etc.

***Repayment:** Monthly principal and interest payments per a 5-year amortization, estimated at \$9,970.13.

Collateral: 1st Deed of Trust on the vacant land parcel located in San Luis, AZ, further identified by APN 227-15-025, with valuation supported by bank-ordered MAI appraisal with maximum Loan to Value of 75% of appraised value. Appraisal will be subject to a third party independent review.

Requirements: Tax Exempt Status Opinion Letter from City's Attorney, verifying that the interest paid on subject loan to 1st Bank Yuma is tax free.

* Note that 1st Bank Yuma is willing to offer a 10 year amortization schedule for the above credit facility. The 5 year maturity would remain, with principal due at maturity.

This offer is based upon information that has been made currently available to the Bank concerning the Borrower and Collateral. The Bank reserves the right to review this offer from time to time and to modify or amend its terms and conditions as may be required by changed circumstances or by newly

disclosed information. Please let me know if the terms, as outlined, are acceptable and we will begin our due diligence to consider formal approval.

Sincerely,



Howie Jorajuria

Vice President/ Lending Officer