

3/21/17

Sent via: GCook@romco.com

City of Killeen P.O. Box 1329 Killeen, TX 76540-1329

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. <u>Lessee</u>: City of Killeen

3. Equipment Description: L60H and ECR25D

4. Equipment Cost: \$192,997.00

5. <u>Lease Term</u>: 3 Years

6. <u>Lease Payments:</u> (These are approximate payment amounts. The

actual payment will be determined at funding date.)

36 monthly payments in arrears of \$3,566.49 with \$76,771.20 balloon due 1 month after final payment.

7. <u>Lease Rate:</u> 2,91%

8. Funding Date: This proposal is contingent upon the equipment

being delivered and the lease funded prior to 4/30/2017 If the equipment is not delivered and the lease funded prior to 4/30/17 the lease rate of this proposal will index WSJ Prime Rate - 84 bps (with a 2.91% floor

rate).

9. <u>Purchase Option</u>: 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.
- Non-Bank Qualified This lease-purchase financing shall be designated as a non-bank qualified taxexempt transaction as per the 1986 Federal Tax Bill.
- 12. <u>Tax Status</u>: 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. <u>Financial Statements</u>: Complete and current financial statements must be submitted to Lessor for review and approval of Lessee creditworthiness.
- 15. <u>Lease Documentation</u>: 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.

Acceptance of this proposal expires as the close of business on 4/30/17 Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Darrell Annis at (479) 225-4624 or via email at dannis@bxsef.com.

Darrell Annis Municipal Territory Manager P.O. Box 1021 Russellville, AR 72811-1021

Dorrell Annis

ACKNOWLEDGMENT AND ACCEPTANCE

Ву:		
	City of Killeen	Title
Date:		·····