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**Government Leasing and Finance**

July 6, 2016

City of Lawrence, Kansas  
Mr. Bryan Kidney, Finance Director  
P.O. Box 708  
6 East 6<sup>th</sup> Street  
Lawrence, Kansas 66044

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 Lawrence, KS						
<b>Lessor:</b>	U.S. Bancorp Government Leasing and Finance, Inc.						
<b>PROPERTY:</b>	Vehicles						
<b>EXPIRATION:</b>	September 3, 2016						
<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>
	244,259.00	1.53%	25,311.78	0.103627	2	60 Months	Custom

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. A reimbursement resolution will be required as part of the refunding to the City. The interest rate provided includes the option for prepayment in whole at any payment date with no penalty.

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



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## Government Leasing and Finance

### ACCEPTANCE:

By accepting this Proposal, Lessee acknowledges that **this Proposal does not represent a commitment to provide financing** but only outlines general terms and conditions of the USBGLF's financing program currently available to qualified lessees.

### ACCEPTED BY:

\_\_\_\_\_  
Name / Title

dated: \_\_\_\_\_

### Payment Schedule

*Assumes July 26, 2016 as lease commencement*

	Date	Payment	Interest	Principal	Balance
Loan	7/26/2016				244,259.00
1	9/1/2016	25,311.78	384.10	24,927.68	219,331.32
2	3/1/2017	25,311.78	1,677.88	23,633.90	195,697.42
3	9/1/2017	25,311.78	1,497.09	23,814.69	171,882.73
4	3/1/2018	25,311.78	1,314.90	23,996.88	147,885.85
5	9/1/2018	25,311.78	1,131.33	24,180.45	123,705.40
6	3/1/2019	25,311.78	946.35	24,365.43	99,339.97
7	9/1/2019	25,311.78	759.95	24,551.83	74,788.14
8	3/1/2020	25,311.78	572.13	24,739.65	50,048.49
9	9/1/2020	25,311.78	382.87	24,928.91	25,119.58
10	3/1/2021	25,311.78	192.20	25,119.58	0.00
Grand Totals		253,117.80	8,858.80	244,259.00	

APPENDIX B  
PROPOSAL FORM AND ACCEPTANCE

City of Lawrence, Kansas  
\$244,259 2016 Municipal Vehicles/Equipment Lease Purchase Agreement

City of Lawrence, Kansas July 6, 2016  
(must be on or before July 7, 2016)

U.S. Bancorp GOVERNMENT LEASING & FINANCE, INC. (the "Bank") hereby offers to purchase the \$244,259 Municipal Vehicles/Equipment Lease Purchase Agreement (the "Lease") of the City of Lawrence, Kansas to be dated, as originally issued, on or about July 26, 2016 (delivery), at a price of par \$244,259.

We propose the interest rate on the Lease to be 1.53 % computed on the basis of 30-day months and 360-day years (30/360). The total proposed interest cost to the City for the term of the Lease is \$ 8,658.80

We propose [check appropriate box]:

- ☒ The lease payments may be prepaid at any time in whole or in ~~part~~ without premium
- ☐ The lease payments may be prepaid at any time in whole or in part with the following premium:  
\_\_\_\_\_ % premium. Premium applies for prepayments made on or before the following date \_\_\_\_\_.

This proposal is subject to the following conditions:

1. Gilmore & Bell, P.C., Kansas City, Missouri, will prepare the Lease Purchase Agreement using the following as the formal name of the Bank in the documents:  
U.S. Bancorp Government Leasing & Finance, Inc.
2. We understand that the Lease is to be held for our own account and not resold or participated without the consent of the City and special tax counsel.
3. Delivery to us of the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, as to the validity and tax-exempt status of the interest on the Lease.
4. Delivery to us of customary closing documents, including a certificate as to no litigation and non-arbitrage certificate.

Very truly yours,

By

Jasheer Banaam

Its

VP

The foregoing proposal is hereby accepted by and on behalf of the City named above this 19th day of July, 2016.

\_\_\_\_\_  
Mayor