

SunTrust Equipment Finance & Leasing Corp. 1155 Peachtree Street, NE, 9<sup>th</sup> Floor Atlanta, GA 30309 Tel 404.658.4751 Fax 404.230.5550 dennis.mcdermott@suntrust.com

December 5, 2018

Tim Young City Manager City of Hapeville, GA

**RE: Request for Proposal** 

Dear Mr. Young:

SunTrust Equipment Finance & Leasing Corp. is pleased to present to you a financing proposal for various equipment as highlighted in your Request for Proposal. The terms and conditions of our proposal are outlined on the attached Summary of Terms and Conditions.

This proposal is provided solely as a response to your request. Neither the delivery of this proposal nor your acceptance thereof represents a commitment from SunTrust Equipment Finance & Leasing Corp. or any of its affiliates to extend financing. This proposal is intended as an outline of certain of the material terms of the financing and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions which would be contained in definitive documents for the financing contemplated hereby.

This proposal should not be construed as advice or a recommendation to you with respect to structure, timing, terms or any other matters relating to the proposed financing. We are not acting as your adviser in connection with the proposal, but solely for our own interests. You should discuss this proposal with any and all internal and external advisors and experts you deem appropriate before acting on it.

Sincerely,

Dennis M. McDermott Director

AGREED TO AND ACCEPTED BY:

| (Name)  |                               |  |  |
|---------|-------------------------------|--|--|
| (Title) | Annual Company of the Company |  |  |
| (Date)  |                               |  |  |

## SUMMARY OF TERMS AND CONDITIONS

**Lessee:** City of Hapeville, GA ("Lessee").

**Lessor:** SunTrust Equipment Finance & Leasing Corp. ("Lessor").

**Property Subject to Lease:** Various Vehicles (the "Property").

**Maximum Principal** 

**Component:** \$241,240

Interest Rate: 4 Year: 3.202%

6 Year: 3.255% (the "Interest Rates")

**Lease Term:** 4 or 6 Years (the "Terms")

Anticipated

Commencement Date: January 15, 2019

**Payment Frequency:** Semiannually. Based on the anticipated commencement date

identified above, a proposed payment schedule is attached.

**Structure:** Lease/purchase financing under a Master Lease/Purchase

Agreement and an Equipment Schedule (the "Agreement"). Rental payments will be subject to annual appropriation.

Lessee will be responsible for all costs and expenses

associated with operation, maintenance, taxes and insurance.

**Security:** A security interest in the Property.

**Prepayment:** Prepayable in whole on any payment date at a premium of

3% of the amount prepaid in year 1, 2% in year 2, 1% in year

3.

**Issuance Costs:** Lessee will pay a documentation fee of \$250 per schedule.

**Tax Status:** The Interest Rate has been established on the assumption that

Lessee is a state or political subdivision within the meaning of Section 103 of the Internal Revenue Code, and that therefore interest will be exempt from federal income tax. Lessee will make customary representations, warranties and covenants to establish and maintain the exemption. If qualified, Lessee will designate the Agreement as "bank qualified." If the interest component of rental payments is determined to be taxable, Lessee will pay Lessor on demand such amounts (including additional interest, fines, penalties

and other additions to tax) as will restore to Lessor its contemplated after-tax yield on the financing.

**Opinions:** 

Lessee will deliver an opinion of its counsel in form and substance satisfactory to Lessor.

All opinions shall expressly provide that successors and assigns of Lessor may rely on them.

**Documentation:** 

Lessor's standard form documentation, which such proposed changes as Lessor may approve in its sole discretion.

**Funding:** 

If applicable, an escrow account at SunTrust Bank will be established to hold the financing proceeds. Monies in escrow will be disbursed from time to time, upon delivery of documentation specified in the escrow agreement and approval of Lessor, to pay costs of the Property. Lessee will pay a \$250 fee at closing for the escrow account set up. Any additional fees, costs and expenses specified in the escrow agreement will be paid out of the escrow account earnings. However, in the event there are not sufficient escrow account earnings to pay any such fees, costs and expenses, the Lessee agrees to pay the shortfall amount. Any surplus escrow account earnings will be for the benefit of the Lessee.

If Lessee intends to be reimbursed for any equipment cost associated with the Agreement, intent for reimbursement from the proceeds of the Agreement must be evidenced, and must qualify under the Treasury Regulation Section 1.150.2.

**Market Disruption:** 

Notwithstanding anything contained herein to the contrary, in the event any material change shall occur in the financial markets after the date of this proposal, including but not limited to any governmental action or other event which materially adversely affects the extension of credit by banks, leasing companies or other lending institutions, Lessor may modify the indicative pricing described above.

**Credit Approval:** 

This proposal is subject to credit approval.

**Proposal Expiration:** 

This proposal expires on December 12, 2018 if not awarded to Lessor by a written notification on or before that date. The Interest Rate is subject to change based on the three (3) and four (4) year swap rates until the financing is awarded to the Lessor. Upon award, Lessor will set the Interest Rate and honor the quoted rate for a closing on or before January 31, 2019.

## Loan Amortization ------ Single Loan ------

| City of Hapeville, GA         | 2.292 years             | 3.2020000%             |
|-------------------------------|-------------------------|------------------------|
| CustomerCity of Hapeville, GA | Average life2.292 years | Average rate3.2020000% |

| date      | starting<br>balance                     | takedowns  | debt<br>service                         | interest  | principal  | ending<br>balance | prepayment<br>price |
|-----------|---|------------|---|-----------|------------|-------------------|---------------------|
| 1/15/2019 | ï                                       | 241,240.00 | 1                                       | 1         | 1          | 241,240.00        | NA                  |
| 7/15/2019 | 241,240.00                              | 1          | 32,367.76                               | 3,862.25  | 28,505.51  | 212,734.49        | 219,116.52          |
| 1/15/2020 | 212,734.49                              | 1          | 32,367.76                               | 3,405.88  | 28,961.88  | 183,772.60        | 189,285.78          |
| 7/15/2020 | 183,772.60                              | 1          | 32,367.76                               |           | 29,425.56  | 154,347.04        | 157,433.98          |
| 1/15/2021 | 154,347.04                              | 1          | 32,367.76                               |           | 29,896.67  | 124,450.37        | 126,939.38          |
| 7/15/2021 | 124,450.37                              | 1          | 32,367.76                               |           |            | 94,075.06         | 95,015.81           |
| 1/15/2022 | 94,075.06                               | 1          | 32,367.76                               | 1,506.14  | 30,861.62  | 63,213.44         | 63,845.57           |
| 7/15/2022 | 63,213.44                               | 1          | 32,367.76                               | 1,012.05  | 31,355.72  | 31,857.72         | 31,857.72           |
| 1/15/2023 | 31,857.72                               | T          | 32,367.76                               | 510.04    | 31,857.72  | ï                 | 1                   |
|           |   |            |   |           |            |                   |                     |
| total     |   | 241,240.00 | 258,942.11                              | 17,702.11 | 241,240.00 |                   |                     |
|           | ======================================= | :========= | :====================================== |           | !!         |                   |                     |

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## Loan Amortization ------ Single Loan ------

| City of Hapeville, GA         | 3.346 years  | 3.2550000%         |
|-------------------------------|--------------|--------------------|
| CustomerCity of Hapeville, GA | Average life | Average rate3.255( |

| date       | starting<br>balance | takedowns  | debt<br>service | interest  | principal  | ending<br>balance | prepayment<br>price |
|------------|---------------------|------------|-----------------|-----------|------------|-------------------|---------------------|
| 1/15/2019  | 1                   | 241,240.00 | E.              | C)        | ť          | 241,240.00        | NA                  |
| 7/15/2019  | 241,240.00          | L          | 22,292.92       | 3,926.18  | 18,366.74  | 222,873.26        | 229,559.46          |
| 1/15/2020  | 222,873.26          | 1)<br>201  | 22,292.92       | 3,627.26  | 18,665.66  | 204,207.61        | 210,333.83          |
| 7/15/2020  | 204,207.61          | I g        | 22,292.92       | 3,323.48  | 18,969.44  | 185,238.16        | 188,942.93          |
| 1/15/2021  | 185,238.16          | Ļ          | 22,292.92       | 3,014.75  | 19,278.17  | 165,960.00        | 169,279.20          |
| 7/15/2021  | 165,960.00          | ij         | 22,292.92       | 2,701.00  | 19,591.92  | 146,368.08        | 147,831.76          |
| 1/15/2022  | 146,368.08          | ij         | 22,292.92       | 2,382.14  | 19,910.78  | 126,457.30        | 127,721.87          |
| 7/15/2022  | 126,457.30          | Ĭ          | 22,292.92       | 2,058.09  | 20,234.83  | 106,222.47        | 106,222.47          |
| 1/15/2023  | 106,222.47          | ij         | 22,292.92       | 1,728.77  | 20,564.15  | 85,658.32         | 85,658.32           |
| 6/15/2023  | 85,658.32           | 1          | 22,292.92       | 1,394.09  | 20,898.83  | 64,759.49         | 64,759.49           |
| 12/15/2023 | 64,759.49           | ţ          | 22,292.92       | 1,053.96  | 21,238.96  | 43,520.53         | 43,520.53           |
| 6/15/2024  | 43,520.53           | ı          | 22,292.92       | 708.30    | 21,584.62  | 21,935.91         | 21,935.91           |
| 12/15/2024 | 21,935.91           | 1.         | 22,292.92       | 357.01    | 21,935.91  | 1                 | 1                   |
|            |                     |            |                 |           |            |                   |                     |
| total      |                     | 241,240.00 | 267,515.03      | 26,275.03 | 241,240.00 |                   |                     |
|            | :=========          |            | :========:      |           | !!         |                   |                     |

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