



Frost Leasing

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August 15, 2016

*Sandra Mattick, Finance Director
City of Boerne
402 E. Blanco
Boerne, TX 78006*

Frost Leasing is pleased to offer the following lease proposal. Subject to the receipt of the required financial information, equipment detail, and credit approval, an equipment lease financing agreement may be structured in accordance with the terms and conditions set forth in the proposal(s) below

Lessor: Frost Leasing

Lessee: City of Boerne, Texas ("Municipality")

PERSONAL PROPERTY: Equipment Financing Agreement ("Agreement") is to include new personal property acceptable to LESSOR with a total amount of approximately \$154,620.00 generally described as new Petersen TL3 Brush Loader. If attached to a vehicle, the vehicle title will need to be amended to add Frost Bank as lienholder.

AGREEMENT FUNDING: The Agreement will commence on or about September, 2016

PAYMENT SCHEDULE: The Municipality will make five (5) annual payments, with the first payment due in advance.

*PAYMENT AMOUNT: \$32,512.98, 2.57%, Fixed**

**RATE ADJUSTMENT: If funding has not occurred within 30 days from the date of this proposal, the rate at closing will be adjusted according to changes in the Federal Home Loan Bank Secure Connect Fixed, Long Term Rates, which can be found at www.fhlb.com under Interest Rates and choosing the Fixed, Long Term Rates. The specific index is the Secure Connect Rate for 2.5 thru 3 years which today is equal to 1.19%.*

*Also, rate assumes Municipality is **not** Bank Qualified.*

EARLY TERMINATION: Municipality may, with 30 days notice and not refinanced by another institution, prepay at any time without penalty.

AT TERMINATION: No additional purchase price will be assessed upon termination of original Agreement period.

FEES: A fee equal to \$400 will be added to the invoice for the first payment to cover origination expenses.

TAXES: This is a net financing proposal whereby maintenance, property tax and sales tax will be for Lessee's account and obligation.

INSURANCE: *LESSEE will be required to carry, at its expense, all risk insurance in an amount equal to the lessor's stipulated loss value and liability insurance in an amount acceptable to Lessor.*

Certificate(s) of insurance shall reflect Lessor as an additional named insured and loss payee, and shall be with companies and contain endorsements and amounts acceptable to Lessor.

ATTORNEY'S OPINION: *LESSEE shall provide lessor with an attorney's opinion that financing of the equipment conforms with applicable State of Texas laws and that all documentation required is satisfactory to Lessor. All legal expense incurred to conform documents to the satisfaction of the Municipality, their Counsel, and the Lessor will be borne by the Municipality.*

COURTMEETING MINUTES: *Lessee shall provide Lessor with a duly executed copy, with original signatures, of the Court Meeting Minutes authorizing this financing by unanimous approval.*

WARRANTIES: *Lessor is not a manufacturer of, or dealer in, the equipment selected; and in that regard: Lessee acknowledges the equipment is of a size, design, capacity and manufacture selected by Lessee. Lessor does not inspect the equipment prior to delivery to Lessee and has not made and does not make any representation, warranty or covenant with respect to the condition, quality, durability, suitability or merchantability. Lessor will, however, take any steps reasonably within its power to make available to Lessee any manufacturers or similar warranty applicable to the equipment. Lessor shall not be liable to Lessee for any liability, loss or damage, caused or alleged to be caused directly or indirectly by the equipment, by any inadequacy thereof or deficiency or defect therein or by any incident whatsoever in connection therewith.*

FINANCIAL STATEMENTS: *Lessee will provide annual financial statements, including operating figures, during the life of the lease.*

DOCUMENTATION: *All documentation must be satisfactory to all parties concerned and will include a non-appropriations clause.*

EXPIRATION OF BID: *If not accepted, this bid will expire in thirty (30) days of the date of this bid.*

SUMMARY: *This bid in its present form does not represent a commitment to finance by Frost Leasing, and is not binding on either the Lessee or Lessor. It is subject to and contingent upon Lessee's approval of these conditions and Lessor's approval of the pricing and Lessee's credit and equipment*

Municipal Advisor Disclosure. *The information and materials contained or referenced herein have been prepared by Frost Bank solely for informational purposes. Neither Frost Bank, nor its affiliates, nor any of their representatives (collectively, "Frost") are recommending any action to you. Frost is not acting, and will not be acting, as a financial or municipal advisor to you, and does not owe you a fiduciary duty or any other duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, with respect to the information and materials contained or referenced herein. Frost is acting for its own interest, which may be different from yours. You should discuss any information and material contained herein with any and all internal or external advisors and experts that you deem appropriate before acting on the same, including with respect to any legal, regulatory, tax or accounting treatment. In some circumstances, you may be required to retain the assistance of an*

independent registered municipal advisor ("IRMA") before negotiating or entering into a municipal financial product with Frost Bank.

Frost Leasing appreciates the opportunity to present this bid for your consideration.

By:

A handwritten signature in black ink, appearing to read "Scott Anderson". The signature is fluid and cursive, with the first name "Scott" and last name "Anderson" clearly distinguishable.

Scott Anderson, Vice President

c: Jerry Yost, Frost Bank