



January 24, 2023

City of Hendersonville, NC
160 Sixth Ave E
Hendersonville, NC 28792

ATT: John Buchanan
Finance Director

Proposal for Acquisition & Finance of: Rolling stock as presented in RFP dated January 9, 2023 in the amount of \$762,000.00.

Dear John,

As a follow-up to your recent request for a proposal regarding the above referenced transaction, United Financial is pleased to offer a finance proposal as follows:

LESSOR: United Financial, *A Division of HomeTrust Bank*

LESSEE: City of Hendersonville, NC

COLLATERAL: Equipment described above.

AMOUNT: Up to \$762,000.00

START DATE: Immediately upon funding

TERM: Four Years

PAYMENTS: Lease payments will consist of eight (8) semi-annual payments of \$102,538.39 comprised of principal and interest.

Terms will be held for six months from the date of the proposal (also subject to Expiration and Acceptance terms below). If the transaction is not fully funded within six months of the date of this proposal, terms will then be based upon market rates at that time (defined as the T-Bill associated to the amortized term of the transaction plus 1.0%), limited to a maximum increase in the interest rate of 3.0% for a period of 18 months from the date of the proposal. If the transaction is not fully funded within 18 months of the proposal date, the terms will be based on the T-Bill associated to the amortized term of the transaction plus 1.0% with no maximum rate guaranty.

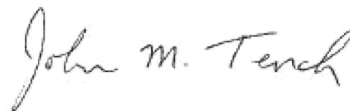
EXPIRATION: Lease payment terms quoted herein are subject to transaction being documented by 03/24/2023.

Phone 828-684-5643
Fax 828-684-5616

- LEGAL TITLE:** Legal Title to the Equipment during the Lease Term shall vest in the Lessee with Lessor perfecting a first security interest through Equipment Title, UCC, or other filing instruments as may be required by law.
- NET LEASE:** The Lease will be a net lease, under which all cost and responsibility of maintenance, insurance, taxes and other items of a similar nature shall be for the account of Lessee.
- INSURANCE:** Lessee shall provide evidence of insurance coverage at the time of delivery of the Equipment, in accordance with the provisions of the Lease.
- FINANCIALS:** Lessee shall furnish Lessor with its last three, (3) fiscal years financial statements and its latest interim financial statements, plus such other pertinent information as Lessor may reasonably request.
- APPROVAL:** Closing of the transaction(s) described herein, and the implementation hereof is expressly conditioned upon approval of Lessor's Senior Loan Committee, the receipt, review and acceptance of properly executed documentation acceptable to Lessor, and the absence of any material adverse change in Lessee's financial condition prior to deliver and acceptance of the Equipment.
- ACCEPTANCE:** Lessee acknowledges that the terms and conditions of this proposal are satisfactory and that upon execution hereof by Lessee this proposal shall constitute a valid and binding obligation of Lessee. As further condition to Lessor's approval hereof, Lessee must acknowledge its acceptance of this proposal by signing below in the space provided and returning it to the Lessor by 02/24/2023.

If you determine that this finance structure meet the needs of your organization, please have the appropriate officer indicate the chosen option, place their signature at the bottom of this page, and return it to us via fax, email or US Postal Service. Upon receipt of the signed proposal, we will be in touch with you to make provision for documenting the finance. Thank you for the opportunity to submit this proposal letter for your review and approval. Should you have any question or comments regarding the terms and conditions, or if we can be of any further assistance to you, please do not hesitate to call.

Sincerely,



John M. Tench
Senior Vice President
Director of Municipal Finance

ACCEPTED BY:

SIGNATURE: _____

NAME: _____ **TITLE:** _____ **DATE:** _____