



Equipment Leasing & Finance
100 W. Houston Street, 3rd Floor
San Antonio, TX 78205
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January 17, 2023

City of Manor
Attn: Lydia Collins, Director of Finance
105 East Eggleston Lane
Manor, TX 78653

Proposal for Lease Purchase Financing

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

LESSEE: City of Manor ("Municipality")

LESSOR: Frost Bank ("Frost")

PERSONAL PROPERTY: *Equipment Financing Agreement ("Agreement") is to include new personal property acceptable to LESSOR up to \$1,980,000 to be used towards the purchase of the following vehicles, equipment, including tints and registration:*

1. (6) 2023 Chevy 1500 4x4 trucks w/ accessories
2. (1) 2023 Chevy 2500 4x4 truck w/ accessories
3. (1) 2022 Dodge Ram 5500 bucket truck w/ accessories
4. (1) New Case 836 Motor Grader w/ accessories
5. (1) 2018 Gradall XL 3100 Wheel Excavator w/ accessories
6. (1) 2024 HV607 Tandem Dump Truck
7. (1) New Multiquip 6" Trash Pump w/ trailer
8. (1) 2023 John Deere 35G
9. (7) Vehicle Tints and Registrations
10. (5) Police Vehicles
11. (2) Chief/Patrol LT
12. (1) Patrol Sergeant

AGREEMENT FUNDING: *The Agreement will commence by February 28, 2023.*

PAYMENT SCHEDULE: *The Municipality will make 60 monthly or annual payments.*

PAYMENT AMOUNT: *\$37,999.57 for 60 months, payments made monthly, in arrears
\$465,530.90 for 5 years, payments made annually, in arrears*

FIXED RATE: *5.28% for 60 months*

If the lease commencement is after February 28, 2023, the rate is indexed to a rate equal to the FHLB Amortizing rate for 5 years plus a taxable spread of 2%.

ESCROW: *An acquisition fund agreement may be used to fully fund purchases of Equipment in advance of receipt. The funds will be deposited with Lessee's depository bank in a Lessee/Lessor controlled account and Lessee will earn interest, if applicable. After all Lessee directed fundings, Escrow agent will close the account and credit to Lessee's*

next due lease payment(s) the outstanding balance in the account if any.

- BANK QUALIFIED:** *This Proposal also assumes that Municipality is Non-Bank Qualified for 2023. If not, rate will be adjusted.*
- AT TERMINATION:** *No additional purchase price will be assessed upon termination of original Agreement period.*
- FEES:** *A fee equal to \$250.00 will be due and payable at lease commencement.*
- NET LEASE:** *This is a non-cancellable, net lease transaction whereby insurance, maintenance and taxes are the Lessee's responsibility.*
- AUTHORIZATION:** *Lessee shall provide Lessor with a certified copy of the minutes or resolution confirming Lessee has full power and authority to execute, deliver and perform the lease documents to which it is a party and to incur and perform the obligations provided for therein.*
- 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. The lease will include a non-appropriations clause.*
- EXPIRATION OF BID:** *If not accepted, this bid will expire in forty five (45) days of the date of*

this bid.

SUMMARY:

This bid in its present form does not represent a commitment to finance by Frost, 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 appreciates the opportunity to present this bid for your consideration.

By:

A handwritten signature in black ink, appearing to read "Laura Eckhardt". The signature is fluid and cursive, with the first name "Laura" written in a larger, more prominent script than the last name "Eckhardt".

*Laura Elrod Eckhardt
Sr. Vice President*

cc: *Ryan Bennett, Frost Bank*