



PURCHASING DEPARTMENT

Madison County Board of Supervisors
146 West Center Street
Canton, MS 39046 / 601-855-5534
kesha.buckner@madison-co.com

July 20, 2020

To: Board of Supervisors
From: Kesha Buckner, Purchasing Clerk (KB)
Subject: Award bid for Tractors, Mowers, Cutters, & Paver – Lease Purchases

Attached are copies of recently submitted quotes for the lease purchase of Kubota Tractors, Bush Hog Cutters, Diamond Mowers and a P5110B Volvo Paver. Quotes are for a five-year municipal lease, paid in full at the end of the term.

<u>Depositor</u>	<u>Lease Term</u>	<u>Interest Rate</u>
Bancorp South	5 years	2.23%
Hancock Whitney	60 months	2.98%
Origin Bank	60 months	3.25%
Bank First	5 years	2.24%
The First	5 years	1.96%
Trustmark National Bank	5 years	1.19%
Regions	60 months	1.89%

I recommend that the Board:

Accept all quotes,

Award the financing to lowest and best bidder – Trustmark National Bank, and

Authorize the Board President to execute lease agreement.

Attachments: Quotes



7/14/2020

Sent via: Kesha.Buckner@madison-co.com

Madison County MS

It is a pleasure to submit for your consideration the following proposal to provide lease-purchase financing based on the terms and conditions set forth below:

1. **Lessor:** BancorpSouth Equipment Finance, a division of BancorpSouth Bank
2. **Lessee:** Madison County, MS
3. **Equipment Description:** Misc Equipment for Road Department
4. **Equipment Cost:** \$1,155,317.12
5. **Lease Term:** 5 Years
6. **Lease Payments:** (These are approximate payment amounts. The actual payment will be determined at funding date.)

60 monthly payments of \$20,366.58
5 annual payments of \$46,912.45
Arrears
7. **Lease Rate:** 2.23%
8. **Funding Date:** This proposal is contingent upon the equipment being delivered and the lease funded prior to * increase in current prime rate of 3.25%. Any extension of the funding or delivery date must be in writing.
9. **Purchase Option:** Title is passed to Lessee at lease expiration for no further consideration.
10. **Non-appropriation/Termination:** The lease provides that Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of non-appropriation. In such event, the Lessee

agrees to provide an attorney's opinion confirming the events of non-appropriation and Lessee's exercise of diligence to obtain funds.

- 11. **Bank Qualification:** This lease-purchase financing shall be designated as a **bank qualified tax-exempt transaction** as per the 1986 Federal Tax Bill. **This means that the Lessee's governing body will pass a resolution stating that it does not anticipate issuing more than \$10 million in General Obligation debt or other debt falling under the Tax Bill's definition of qualifying debt during the calendar year that the lease is funded.**
- 12. **Tax Status:** This proposal is subject to the Lessee being qualified as a governmental entity or "political subdivision" within the meaning of Section 103(a) of the Internal Revenue Code of 1954 as amended, within the meaning of said Section. Lessee agrees to cooperate with Lessor in providing evidence as deemed necessary or desirable by Lessor to substantiate such tax status.
- 13. **Net Lease:** This will be a net lease transaction whereby maintenance, insurance, taxes (if applicable), compliance with laws and similar expenses shall be borne by Lessee.
- 14. **Financial Statements:** Complete and current financial statements must be submitted to Lessor for review and approval of Lessee creditworthiness.
- 15. **Lease Documentation:** This equipment lease-purchase package is subject to the mutual acceptance of lease-purchase documentation within a reasonable time period, otherwise payments will be subject to market change.

If the foregoing is acceptable, please so indicate by signing this letter in the space provided below and returning it to BancorpSouth Equipment Finance. **The proposal is subject to approval by BancorpSouth Equipment Finance's Credit Committee and to mutually acceptable terms, conditions and documentation.**

Acceptance of this proposal expires as the close of business on 8/30/2020. Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Bob Lee at 1-800-222-1610.

Bob Lee
Bob Lee
Municipal Finance Manager

ACKNOWLEDGMENT AND ACCEPTANCE

By: _____

Title

Date: _____

Compounding Period: Monthly

Nominal Annual Rate: 2.230%

DRAFT
Dates may change at closing

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	07/14/2020	1,155,317.12	1		
2	Payment	08/14/2020	20,366.58	60	Monthly	07/14/2025

TValue Amortization Schedule - Normal, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	07/14/2020				1,155,317.12
1	08/14/2020	20,366.58	2,146.96	18,219.62	1,137,097.50
2	09/14/2020	20,366.58	2,113.11	18,253.47	1,118,844.03
3	10/14/2020	20,366.58	2,079.19	18,287.39	1,100,556.64
4	11/14/2020	20,366.58	2,045.20	18,321.38	1,082,235.26
5	12/14/2020	20,366.58	2,011.15	18,355.43	1,063,879.83
6	01/14/2021	20,366.58	1,977.04	18,389.54	1,045,490.29
7	02/14/2021	20,366.58	1,942.87	18,423.71	1,027,066.58
8	03/14/2021	20,366.58	1,908.63	18,457.95	1,008,608.63
9	04/14/2021	20,366.58	1,874.33	18,492.25	990,116.38
10	05/14/2021	20,366.58	1,839.97	18,526.61	971,589.77
11	06/14/2021	20,366.58	1,805.54	18,561.04	953,028.73
12	07/14/2021	20,366.58	1,771.05	18,595.53	934,433.20
13	08/14/2021	20,366.58	1,736.49	18,630.09	915,803.11
14	09/14/2021	20,366.58	1,701.87	18,664.71	897,138.40
15	10/14/2021	20,366.58	1,667.18	18,699.40	878,439.00
16	11/14/2021	20,366.58	1,632.43	18,734.15	859,704.85
17	12/14/2021	20,366.58	1,597.62	18,768.96	840,935.89
18	01/14/2022	20,366.58	1,562.74	18,803.84	822,132.05
19	02/14/2022	20,366.58	1,527.80	18,838.78	803,293.27
20	03/14/2022	20,366.58	1,492.79	18,873.79	784,419.48
21	04/14/2022	20,366.58	1,457.71	18,908.87	765,510.61
22	05/14/2022	20,366.58	1,422.57	18,944.01	746,566.60
23	06/14/2022	20,366.58	1,387.37	18,979.21	727,587.39
24	07/14/2022	20,366.58	1,352.10	19,014.48	708,572.91
25	08/14/2022	20,366.58	1,316.76	19,049.82	689,523.09
26	09/14/2022	20,366.58	1,281.36	19,085.22	670,437.87
27	10/14/2022	20,366.58	1,245.90	19,120.68	651,317.19
28	11/14/2022	20,366.58	1,210.36	19,156.22	632,160.97
29	12/14/2022	20,366.58	1,174.77	19,191.81	612,969.16
30	01/14/2023	20,366.58	1,139.10	19,227.48	593,741.68

	Date	Payment	Interest	Principal	Balance
31	02/14/2023	20,366.58	1,103.37	19,263.21	574,478.47
32	03/14/2023	20,366.58	1,067.57	19,299.01	555,179.46
33	04/14/2023	20,366.58	1,031.71	19,334.87	535,844.59
34	05/14/2023	20,366.58	995.78	19,370.80	516,473.79
35	06/14/2023	20,366.58	959.78	19,406.80	497,066.99
36	07/14/2023	20,366.58	923.72	19,442.86	477,624.13
37	08/14/2023	20,366.58	887.58	19,479.00	458,145.13
38	09/14/2023	20,366.58	851.39	19,515.19	438,629.94
39	10/14/2023	20,366.58	815.12	19,551.46	419,078.48
40	11/14/2023	20,366.58	778.79	19,587.79	399,490.69
41	12/14/2023	20,366.58	742.39	19,624.19	379,866.50
42	01/14/2024	20,366.58	705.92	19,660.66	360,205.84
43	02/14/2024	20,366.58	669.38	19,697.20	340,508.64
44	03/14/2024	20,366.58	632.78	19,733.80	320,774.84
45	04/14/2024	20,366.58	596.11	19,770.47	301,004.37
46	05/14/2024	20,366.58	559.37	19,807.21	281,197.16
47	06/14/2024	20,366.58	522.56	19,844.02	261,353.14
48	07/14/2024	20,366.58	485.68	19,880.90	241,472.24
49	08/14/2024	20,366.58	448.74	19,917.84	221,554.40
50	09/14/2024	20,366.58	411.72	19,954.86	201,599.54
51	10/14/2024	20,366.58	374.64	19,991.94	181,607.60
52	11/14/2024	20,366.58	337.49	20,029.09	161,578.51
53	12/14/2024	20,366.58	300.27	20,066.31	141,512.20
54	01/14/2025	20,366.58	262.98	20,103.60	121,408.60
55	02/14/2025	20,366.58	225.62	20,140.96	101,267.64
56	03/14/2025	20,366.58	188.19	20,178.39	81,089.25
57	04/14/2025	20,366.58	150.69	20,215.89	60,873.36
58	05/14/2025	20,366.58	113.12	20,253.46	40,619.90
59	06/14/2025	20,366.58	75.49	20,291.09	20,328.81
60	07/14/2025	20,366.58	37.77	20,328.81	0.00
Grand Totals		1,221,994.80	66,677.68	1,155,317.12	

Last interest amount decreased by 0.01 due to rounding.

Compounding Period: Monthly

Nominal Annual Rate: 2.230%

DRAFT
 Dates may change at closing

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	07/14/2020	1,155,317.12	1		
2	Payment	07/14/2021	246,912.45	5	Annual	07/14/2025

TValue Amortization Schedule - Normal, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	07/14/2020				1,155,317.12
1	07/14/2021	246,912.45	26,028.53	220,883.92	934,433.20
2	07/14/2022	246,912.45	21,052.17	225,860.28	708,572.92
3	07/14/2023	246,912.45	15,963.68	230,948.77	477,624.15
4	07/14/2024	246,912.45	10,760.56	236,151.89	241,472.26
5	07/14/2025	246,912.45	5,440.19	241,472.26	0.00
Grand Totals		1,234,562.25	79,245.13	1,155,317.12	

Last interest amount decreased by 0.02 due to rounding.



VIA E-MAIL

July 16, 2020

Board of Supervisors
Madison County, Mississippi
C/o Ms. Kesha Buckner

Re: Lease Purchase Financing – Various Equipment

Board Members:

We understand that Madison County, Mississippi is considering lease-purchase financing for a Various Equipment (hereinafter the "Equipment") under the authority of Sec. 31-7-13(e) of the Miss. Code of 1972, as amended. The Equipment has a total cost of \$1,129,616.00 and \$662,756 of the cost will be lease-purchase financed.

The rates provided below assumes that the debt will be designated as "bank-qualified" tax exempt within the meaning of Sec. 265(b)(3) of the Internal Revenue Code of 1986, as amended. If it is determined that the County is ineligible to issue bank-qualified debt this calendar year, different rates will apply.*

<u>Amount Financed:</u>	<u>Terms**:</u>	<u>Rate:</u>
\$1,155,317.12	60 monthly payments @ \$20,749.27 per month	2.98%

* Determination of taxability would be the responsibility of the County's legal counsel.

** The County will certify that the Equipment will not be replaced by other equipment, performing the same or similar functions, until the term of the financing option expires.



This proposal assumes compliance by the County with applicable state and federal law governing borrowings by political subdivisions. In addition, normal Bank credit approval requirements for lending to these types of entities would apply. Credit approval includes approval of both the manufacturer and vendor of the Equipment to be purchased. Necessary documentation would include, but not be limited to, a legal and tax opinion from issuer's legal counsel. Liability and physical damage insurance would be required with Hancock Whitney Bank being shown as the additional insured and/or loss payee as its interest may appear.

This proposal is good if accepted within 30 days and the obligation is funded within 60 days of the date of this letter.

Thank you for considering Hancock Whitney Bank for your Governmental Leasing needs!

Sincerely,

HANCOCK WHITNEY BANK


Jonathan King
Government Leasing
Public Finance Department

Kesha Buckner

From: Gibson Eatherly <geatherly@origin.bank>
Sent: Thursday, July 16, 2020 12:08 PM
To: Kesha Buckner
Subject: FW: Madison County Lease-Purchase Financing Quote Request 2020
Attachments: Lease Purchase Financing Request for Quote 2020.pdf

Ms. Butler

Good afternoon. On behalf of Origin Bank, I want to thank you for the opportunity to offer financing terms to you all for your upcoming equipment purchase. We would like to offer you all the following terms:

Loan: \$1,1551,317.12 as requested
Term: 60 month repayment with principal and interest paid monthly
Interest rate: 3.25%

We hope that you all find these terms favorable and we look forward to hearing from you soon. Thanks.

J. Gibson Eatherly

Senior Vice President; Commercial Relationship Banker



Origin Bank

1063 Highland Colony Parkway, Ridgeland, MS 39157
O: 601.707.0005 / C: 601.906.3116 / F: 601.856.3399
<http://www.origin.bank> / geatherly@origin.bank

Please follow us on Twitter and Instagram and "like us" on Facebook!

From: Larry C. Ratzlaff <lratzlaff@origin.bank>
Sent: Monday, July 13, 2020 10:36 AM
To: Gibson Eatherly <geatherly@origin.bank>
Subject: Fwd: Madison County Lease-Purchase Financing Quote Request 2020

Larry Ratzlaff
Mississippi State President

Origin Bank

1063 Highland Colony Pkwy, Ridgeland MS 39157
Office: 601.707.0002 / Cell: 601.594.4425 / Fax: 601.856.3399
<http://www.originbankonline.com>

Please follow us on Twitter and Instagram and "like us" on Facebook!

From: Kesha Buckner <
Date: July 13, 2020 at 8:56:08 AM CDT

To: Bob Lee <bob.lee@bxs.com>, ssmith-vaniz@trustmark.com <ssmith-vaniz@trustmark.com>, jonathan.king@hancockbank.com <jonathan.king@hancockbank.com>, Betty-Braden Fisher <BettyBraden.Fisher@renasant.com>, Larry C. Ratzlaff <lratzlaff@origin.bank>, lara.spell@communitybank.net <lara.spell@communitybank.net>, Michael Crandall <MCrandall@trustmark.com>, Renee Rice <rrice@bankfirstfs.com>, steven.dowe@regions.com <steven.dowe@regions.com>, Billy Brunt <bbrunt@thefirstbank.com>, bradgatlin@bankplus.net <bradgatlin@bankplus.net>

Subject: Madison County Lease-Purchase Financing Quote Request 2020

THIS EMAIL IS FROM AN EXTERNAL SENDER! Use caution with links and attachments.

Good Morning All,

Please see attachments above.

Thanks,

Kesha Buckner

MADISON COUNTY BOARD OF SUPERVISORS
Administrative Assistant/Purchase Clerk
146 West Center Street
P.O. Box 608
Canton, MS 39046
(601) 790-2590 (*BOS office*)
(601) 855-5534 (*direct*)
Email: kesha.buckner@madison-co.com

CONFIDENTIALITY STATEMENT: This message and all attachments are confidential and may contain information that is privileged or legally privileged. Any review, use, dissemination, forwarding, printing, copying, disclosure or distribution by persons other than the intended recipients is prohibited and may be unlawful. This transmission and any attachments are believed to be free of any virus or other defect that might affect any electronic computer or messaging system, but it is the responsibility of the recipient to ensure that it is virus free. No responsibility is accepted by Origin Bancorp, Inc., or any of its subsidiaries for any loss or damage arising in any way from its use. You must delete this message and any copy of it (in any form) without disclosing it. If you believe this message has been sent to you in error, please destroy the materials in their entirety, whether electronic, printed or other format and notify sender by replying to this transmission.
Origin1912

TO: Madison County Board of Supervisors

DATE: July 20, 2020

LEASE PURCHASE FINANCING PROPOSAL

Equipment: As described in Lease-Purchase Financing Quote Request

Monetary Amount: \$ 1,155,317.12

Funding Date: On or before August 17, 2020 (30 days)

TERM/ANNUAL PERCENTAGE RATE: 5 years 2.24%

** this product requires an automatic monthly draft of payment- billing notice provided prior to due date

Lending Institution: BankFirst Financial Services

Address: 1597 Highland Colony Parkway
Madison, MS 39157

Phone No.: 601-605-5208

E-mail address: rrice@bankfirstfs.com



Renee Rice
Community Bank President

July 20, 2020
Date



Olde Madison Plaza
953 Hwy 51 Ste. 2D
Madison, MS. 39110

Phone: (601) 499-0500
Fax: (601) 499-0529

www.TheFirstBank.com

July 20, 2020

Ms. Kesha Buckner
Administrative Assistant/Purchase Clerk
Madison County Board of Supervisors
P.O. Box 608
Canton, MS 39046

RE: Lease Purchase Financing for Kubota Tractors, Bush Hog Cutters, Diamond Mowers, and P5110B Volvo Paver

Dear Ms. Buckner:

The First, A National Banking Association, hereby bids the rate of 1.96% fixed for 5 years full payout on \$1,155,317.12 for the purchase of the above machinery.

This bid will be good for 45 days from the date of this letter. Please execute below and return by email if the county wishes to accept our offer.

Very kindest regards,

W.E. Brunt
President- Madison County

Accepted:

Date

Trustmark National Bank
3319 South Liberty St.
Post Office Box 409
Canton, Mississippi 39046
601-859-7410



Trustmark

July 17, 2020

Madison County Board of Supervisors
125 W. North St.
Canton, MS 39046

Dear Ms. Buckner:

Thank you for the opportunity to provide a lease purchase financing quote to Madison County Board of Supervisors. For the requested financing of Tractors, Culters, Mowers and Paver in the amount of \$1,155,317.22, Trustmark is pleased to offer the following tax-exempt, bank qualified interest rate:

<u>Term</u>	<u>Interest Rate</u>
5 years	1.19%

The offer is subject to the following general terms and conditions:

- 1. AUTHORITY:** The Lease and other documentation will be authorized and entered into in accordance with State law. An opinion of counsel regarding the legality of the transaction will be required subject to Trustmark's satisfaction. Further, this transaction must be designated by a resolution or order of the Board as a "qualified tax exempt obligation" pursuant to Section 265 of the Internal Revenue Code.
- 2. DOCUMENTATION:** Trustmark will provide the Lease-Purchase Agreement needed to undertake this transaction at no cost to the County. The County agrees to provide to Trustmark other customary documentation for this type transaction including, but not limited to, an opinion of counsel to the effect that the interest payments are exempt from all federal and state taxation. The County, through its Board of Supervisors, agrees to enter into such documentation, pending the Board attorney's approval. Madison County will also complete an IRS Form 8038-G/GC in a timely manner and provide a copy to Trustmark.
- 3. EXPIRATION of RATE and NOTICE of FUNDING:** The aforementioned quote will expire at midnight, Monday, July 20, 2020, unless funded prior to then by the County or extended by mutual agreement between Trustmark and the Madison County Board of Supervisors.

We hope the above information is to your satisfaction. If you have any questions, please call me at 601-859-0204.

Sincerely,

Jeff Ross Vice President
TRUSTMARK NATIONAL BANK



Ryan Hinton
202 South 40th Avenue
Hattiesburg, MS 39402
601-264-8248 (office)
Ryan.Hinton@regions.com

July 20, 2020

Madison County, Mississippi
125 West North Street
Canton, MS 39046

Dear Kesha,

Regions Equipment Finance Corporation is pleased to furnish the following tax-exempt lease proposal for your review and consideration.

Lessor:	Regions Equipment Finance Corporation, or its Assignee
Lessee:	Madison County, Mississippi
Equipment:	Equipment Listed on Madison County RFP dated July 13, 2020
Equipment Cost:	\$1,155,317.12
Delivery / Facility Term:	3rd Quarter 2020
Base Term:	60 Months
Implicit Rate:	1.89%
Payment Method:	Lessee agrees that all rent and other payments will be made by automatic funds withdrawal (ACH), and Lessee will execute documentation satisfactory to Lessor to facilitate such payments.
Lease Commencement:	The Base Term shall commence on the date of closing and delivery and acceptance of the Equipment. The first monthly rental shall be due 30 days in arrears. Remaining equal monthly rental payments shall be due on the same day of each consecutive period thereafter. All payments shall be subject to any applicable state and local sales/use taxes.
Rental Factor Adjustment:	The Rental Factor presented in this proposal is based on current market conditions and Regions Cost of Funds on July 17, 2020. The Rental Factor as quoted in this proposal shall be adjusted upward or downward in order

to maintain Lessor's economic yield as exists at this date. Payments shall be fixed at closing.

Bank Qualified: It is anticipated that this transaction will be bank qualified. The Implicit Rate stated above assumes that the Lease will be a bank qualified tax-exempt obligation. Section 265(b)3 of the Internal Revenue Code of 1986 exempts certain tax-exempt obligations (bank qualified), not in excess of \$10,000,000.00 per year, from the 100% preference tax disallowance applicable to banks, provided that the reasonably anticipated amount of qualified tax-exempt obligations to be issued by the issuing authority during the calendar year does not exceed \$10,000,000.00. If the issuing authority reasonably anticipates that it will issue \$10,000,000.00 or more in qualified tax-exempt obligations during the calendar year, the Lease will be designated as a non-bank qualified tax-exempt obligation.

Opinion of Counsel: As an additional condition precedent to the Lender making the Loan, the Borrower shall provide, among other things, the following opinions to the Lender: an opinion of bond counsel in form and substance satisfactory to the Lender and its counsel in all respects, which shall include opinions to the effect that (a) the Borrower has the authority under the laws of the State of Mississippi to issue the Debt Instrument and execute and deliver the Loan Documents, (b) that the Debt Instrument has been duly issued and each of the Debt Instrument and the other Loan Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower, (c) that each of the Debt Instrument and the other Loan Documents to which the Borrower is a party is a valid and binding obligation of the Borrower, duly enforceable in accordance with its terms, (d) that interest on the Debt Instrument is (i) excludable from gross income of the holders thereof for federal income tax purposes and (ii) is exempt from present income taxation in the State of Mississippi.

Purchase – End of Term: At the expiration of the Base Term, so long as no default exists thereunder and the Lease has not been earlier terminated, Lessee shall have the option to purchase all (but not less than all) of the Equipment on an AS IS, WHERE IS BASIS for one dollar (\$1.00).

Net Lease: The Lease will be a "net lease" with Lessee responsible for all expenses, including (a) maintenance costs, liability and physical damage insurance satisfactory to Lessor and (b) taxes relating to the purchase, lease, possession and use of the Equipment (some of which may be added to the cost of the Equipment or collected as the gross rentals as appropriate under state law), excluding taxes based solely on the net income of Lessor. Lessor is not responsible for the selection, suitability or performance of the Equipment and Lessee will be responsible for all payments and performance irrespective of any defect in the Equipment.

- Documentation:** Lessor will provide all documentation required to close the Lease. Any modifications requested by Lessee must be approved by Lessor. Any associated legal fees will be reimbursed to Lessor by Lessee.
- Transactional Costs:** Unless otherwise agreed in writing, Lessee will be responsible for all closing costs including, without limitation, appraisal fees, attorney's fees and disbursements, and recording fees. Lessee will be responsible for all costs it incurs.
- Insurance:** Lessee will be responsible to purchase and maintain liability insurance coverage equal to \$1,000,000.00 naming Lessor as Additional Insured and physical damage insurance coverage with a deductible of no more than \$5,000.00 naming Lessor as Loss Payee. Lessee will furnish satisfactory evidence of such insurance prior to funding.
- Contingencies:** **This proposal is not and should not be construed as a commitment to fund.** The terms and provisions presented herein are subject to among other things (1) Lessor's credit review and approval of Lessor's investment in the Equipment and the economics of the proposed transaction, at Lessor's sole discretion, and (2) execution of all documentation in form and substance satisfactory to all parties to the transaction. Lessor makes no representation as to the legal, tax or accounting treatment of the Lease. Lessor shall not have any obligation whatsoever under this proposal and shall only be obligated under and as provided in the documentation referred to in clause (2) above. No notice of approval or other communication from Lessor or anyone claiming to act on its behalf shall waive or modify the limitations contained in this paragraph.
- Role of Lessor:** The Lessor and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Proposal and any other information, materials or communications provided by the Lessor: (a) the Lessor and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lessor and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Proposal ,



information, materials or communications; (c) the Lessor and its representatives are acting for their own interests; and (d) the Issuer and the Lessee have been informed that the Issuer and the Lessee should discuss this Proposal and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer and the Lessee, respectively, deem appropriate before acting on this Proposal or any such other information, materials or communications.

Lessee hereby authorizes Lessor to pre-file UCC financing statements naming Lessee, as debtor, and Lessor, as secured party, and describing the collateral therein by specific reference to the Equipment or by general reference to all equipment financed by Lessor (or words similar to the effect), provided that our doing so shall not obligate Lessee or Lessor to enter into the proposed financing, and provided further that if the proposed financing is not extended for any reason Lessor will terminate any such UCC financing statements Lessor has filed at Lessee's request.

Federal law requires all financial institutions to obtain, verify, and record information regarding customers. Lessor has or will obtain and keep on file information complying with 31 CFR Part 103.121 regarding Lessee, including Lessee's name, address and copies of various identifying documents.

By acceptance of this proposal, Lessee requests Lessor to take all actions necessary to evaluate the transactions contemplated hereby, including ordering credit reports and (if desired by Lessor) appraisals of the Equipment. This proposal shall expire as of the close of business on August 20, 2020 unless extended in writing by Lessor. This proposal may not be modified, supplemented or otherwise changed except in a writing signed by an officer of Lessor, subject to the further limitations expressed above.

We look forward to your early review and acceptance of this proposal. If there are any questions, please do not hesitate to contact me directly at 601-310-3437.

Sincerely,

A handwritten signature in black ink that reads "Ryan Hinton". The signature is written in a cursive style with a large, stylized "R" and "H".

Ryan Hinton
Regions Bank
Equipment Finance
Vice President

PROPOSAL ACCEPTED:

By: _____

Title: _____

Date: _____