

777 Brickell Ave., 9th Floor
Miami, FL 33131
305.523.1771

October 29, 2024

City of Marco Island
50 Bald Eagle Drive
Marco Island, FL 34145

RE: Tax Exempt /Purchase Financing

We are pleased to provide the following tax-exempt financing proposal for the City of Marco Island for the acquisition new self-contained breathing apparatus. As a leading provider of tax-exempt financing solutions, Truist Equipment Finance Corp. is well positioned to provide the options to meet your unique needs. Please note, this is a proposal only and not a commitment to finance.

Lessor: Truist Equipment Finance Corp. and/or its affiliates or assigns (“Truist”)

Lessee: City of Marco Island

Type of Facility / Purpose: Fully Amortizing, Tax-exempt Lease (“Lease”)

Cost: \$555,970.30

Deposit/Trade: (\$211,00.00)

Amount Financed: \$344,970.30

Equipment: New Self-Contained Breathing Apparatus

Term: 12 Years

Interest Rate: 4.70% Fixed

P&I Payments: 12 annual Payments of **\$38,265.65**, first payment due 12 months after closing.

Lessor has agreed to lock through November 22, 2024 (the “**Rate Lock Period Expiration Date**”). If the Loan does not close and fund on or before the Rate Lock Period Expiration Date, then the above interest rate will be subject to the below adjustment. Interest will be calculated using a 30/360 day year.

Interest Rate Adjustment: The interest rate stated above was calculated based upon a nominal pretax margin spread over Lessor’s cost of funds as of October 24, 2024 (the “Reference Rate”). The final interest rate to be fixed for the loan term will be calculated by adjusting the interest rate stated above upward or downward in order to maintain the Reference Rate, as of a date determined by Lender not more five (5) business days prior to funding.

Closing Fees: None charged by the Lessor.

Funding: At closing, the proceeds of the Lease shall be reimbursed to the City.
Documentation: Closing documents shall be provided by Lessor and shall be acceptable to all parties. Lessee's counsel shall provide an opinion letter at closing as to the validity and enforceability of this transaction in a form satisfactory to the Lessor. Lessee shall provide a reimbursement resolution at closing.

Prepayment: Lessee shall have the option to prepay the Lease in full for 101% of the then remaining principal balance on any given payment date.

Transaction Expenses: Lessee shall be responsible for any out-of-pocket costs or expenses incurred by the Lessor in connection with this transaction, including any costs or fees for outside legal counsel, filings, notifications and searches incurred in connection with the structuring, negotiating and/or closing the contemplated transaction.

Tax Status: This proposal and the Interest Rates set forth herein assume that interest earned by the Lessor on the Lease will be excluded from Lessor's gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is not a specific preference item for purposes of the federal corporate alternative minimum tax. Lessor acknowledges the understanding that the note issued under the Lease is not being registered under the Securities Act of 1933, as amended (the "1933 Act") or Chapter 517, Florida Statutes, and that the Lessee shall have no obligations to affect any such registration or qualification. It also acknowledges and confirms that it is an "accredited investor" within the meaning of Chapter 517, Florida Statutes, and Regulation D of the 1933 Act. There will be no CUSIPs obtained on the Lease.

Taxes / Insurance: Any/all taxes, insurance or other costs incurred by the Lessee are the responsibility of the Lessee.

Indicative Terms Only: This proposal is for discussion purposes only. It does not set forth the complete terms or conditions of any transaction and does not constitute an obligation or commitment by Truist to make any financing or to provide any other financial accommodation. Any financing or other credit extension by Truist is subject, without limitation to final review and approval by Truist.

No Tax or Accounting Advice: Truist does not provide any advice regarding the tax or accounting aspects of any financing and shall make no representations or warranties in that regard. Lessee is advised to seek advice as to the tax or accounting aspects of any financing transaction from Lessee's own accountant, lawyer or tax expert. The information provided in this proposal is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. This proposal is for discussion purposes only in anticipation of engaging in a commercial, arm's length transaction in which Truist would be acting solely as a principal and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity. Truist will not have any duties or liability to any person or entity in connection with the information being provided herein.

Thank you for this opportunity to serve you in connection with this prospective transaction. This proposal is a summary regarding the proposed financing transaction on the general terms and conditions outlined herein, but does not purport to summarize all of the terms and conditions upon which the proposed transaction is to be based. This letter is not intended to and does not create any binding legal obligation on the part of either party. I look forward to working with you as we proceed toward finalizing terms, formal credit approval and documentation, it being understood however, that neither party shall be obligated to proceed with any transaction unless mutually agreeable definitive documents are agreed on and executed. We appreciate the opportunity to work with you and look forward to hearing from you with regard to this proposal. If you have any questions, please do not to hesitate to call me at **305.523.1771** or kyle.spalding@truist.com

Sincerely,



Kyle Spalding
Director

ACCEPTED: City of Marco Island
BY: _____
TITLE: _____
DATE: _____