

RESOLUTION OF THE CITY COUNCIL

No. 256

Approved June 12, 2024

RESOLVED, That the Members of the Providence City Council hereby Authorize Approval of the following Contract Award by the Board of Contract and Supply in accordance with Section 21-26(b)(3) of the Code of Ordinances.

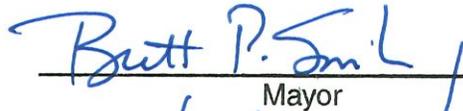
Banc of America Public Capital Corporation (BAPCC) \$20,000,000.00
(Department of Finance)

IN CITY COUNCIL
JUN 06 2024
READ AND PASSED


RACHEL M. MILLER, PRESIDENT

CLERK

I HEREBY APPROVE.



Mayor
Date: 6/12/24



OFFICE OF THE INTERNAL AUDITOR
City of Providence

May 1, 2024

Ms. Tina Mastroianni
City Clerk's Office
City of Providence
25 Dorrance Street
Providence, RI 02903

Dear Tina:

I am writing to request that the following requested contract award be submitted to the City Council and the Finance Committee for approval:

- **Department of Telecommunications**
 - Request to pay Interaction Insight Corporation for Support Maintenance in the amount of \$23,772 in accordance with the Code of Ordinances, Section 21-26 (b) (2).
 - Request approval to Piggyback the State MPA #395 with Motorola Solutions Inc. for Public Safety Communication Equipment in the amount of \$511,986.77 in accordance with the Code of Ordinance, Section 21.26 (b) (2).
- **Department of Finance**
 - Requesting Approval to enter into a contract with Banc of America Public Capital Corp (BAPCC) for Master Lease Financing in the amount of \$20,000,000.00 in accordance with the Code of Ordinances, Section 21-26 (b) (3)
- **Department of Information Technology**
 - Requesting approval to pay BSI for Software Support and Maintenance to calculate Tax Withholding Rates for City Payroll in the amount of \$14,298.64. In accordance with the Code of Ordinances, Section 21-26 (b) (2).
 - Request approval to pay Infor US, LLC for Annual Licenses and Support for the Infor/Lawson Platform in the amount of \$335,815.59. In accordance with the Code of Ordinances, Section 21-26 (b) (2).

- **Department of Public Safety, Police Department**
 - Request approval to pay Central Florida Yamaha, Inc. for Outboard Engines in the amount of \$66,483.00 in accordance with the Code of Ordinances, Section 21-26 (b) (2).
- **Department of Public Property**
 - Requesting Approval of an encumbrance with NRG Business Marketing, LLC for Natural Gas Service Bills for all Public Owned Building in the amount of \$450,000.00 in accordance with the Code of Ordinances, Section 21-26 (b) (4).
- **Department of Public Works**
 - Approval to amend the cap of Sidewalk, Road and Drainage Construction for Option Year 1 in the amount of \$250,000.00. In accordance with the Code of Ordinances, Section 21-26 (b) (5).

Sincerely,



Gina M. Costa
Internal Auditor

Cc: John Arzoomanian, Department of Public Property
Alejandro Tirado, Director of Purchasing
Shomari Husband City Treasurer
Lawrence Mancini, Chief Financial Officer
Patricia Coyne-Fague Director of Public Works
Oscar Perez Chief of Police
Jim Silveria, Chief Information Officer
Joseph Migliaccio, Director of Telecommunications

Lawrence J. Mancini
Chief Financial Officer



Brett P. Smiley

Mayor

Finance Department
"Building Pride In Providence"

April 29, 2024

The Honorable Brett P. Smiley
Chairman, Board of Contract and Supply
City Hall
25 Dorrance Street
Providence, RI 02903

RE: Requesting Approval to Enter into a Contract with Banc of America Public Capital Corp (BAPCC) for Master Lease Financing

ID #: *45222*
Account Code: **101-233-52202**

Minority Participation: 0% MBE, 0% WBE

Subject to budget approval and annual appropriation

Dear Mayor Smiley,

The Finance Department respectfully requests approval to enter into a contract with Banc of America Public Capital Corp (BAPCC) for Tax-Exempt Master Lease Financing in the amount of \$20,000,000.00 (TWENTY MILLION DOLLARS) over seven years.

The lowest qualified bidder was Banc of America Public Capital Corp (BAPCC) with a 4.2905 rate, for a 7-year master lease.

Banc of America Public Capital Corp (BAPCC)
1111 E. Main Street 18th Floor
Richmond, VA 23219

Hilltop Securities Inc, the City's fiscal advisor, solicited proposals for the \$20,000,000 Tax-Exempt Master Lease. Hilltop Securities distributed RFPs to 18 Master Leasing or Banking Firms and received four proposals on April 10, 2024.

Please see the accompanying documents:

- Summary letter as prepared by Hilltop Securities in support of lowest responsive bidder.
- RFP bid response compilation and review analysis prepared by Hilltop Securities.
- Escrow interest-earned analysis.
- List of Firms Submitted to (18 Firms)
- Bid Responses by firms (4 Firms)
- Request for proposal (RFP)

City Hall

• Providence, Rhode Island 02903

• 401) 680-5000

Lawrence J. Mancini
Chief Financial Officer



Brett P. Smiley

Mayor

Finance Department
"Building Pride In Providence"

The City will contract for a seven-year tax-exempt master lease, with the first 2 years at interest only and the remaining 5 years at full repayment of principal and interest.

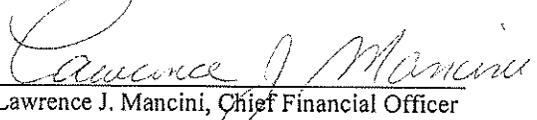
During the lease period, an escrow account will be established with BAPCC's escrow agent, Argent Institutional Trust Company. Argent has projected interest earned rates to be approximately 4.25-4.60 percent on average, in a variety of US Government and Agency Money Market Funds Accounts and or Treasury Money Market Funds Account and or Federal Money Markey Funds Accounts.

It is expected that the City, using a conservative escrow interest-earned rate of 4.25 percent, on an average escrow account balance of \$10,243,056, over the first 36 months of the lease, prior to complete spenddown of the lease proceeds, will earn approximately \$1,237,517 in escrow interest, which will be used to off-set the interest only costs of the 1st 36 months expense of \$1,790,101, thereby resulting in a net interest-only borrowing expense of \$552,584 for the period.
(See accompanying Escrow interest-earned analysis)

Commencing in July 2027 and for the succeeding 5 years, through July 2031, the lease will require full principal and interest payments of \$4,452,927.1 per year.

Funds in the amount of \$ 931,997 Year 1 (Interest only Due July 1, 2025) and \$858,104 Year 2 (Interest only Due July 1, 2026) and \$4,529,271 per year, for the remaining 5 years of the seven-year lease, will be appropriated in the debt service account 101-233-52202, with first repayment of interest only beginning on July 1, 2025.

Respectfully Submitted


Lawrence J. Mancini, Chief Financial Officer


Financial Approval:

CC:

Courtney E. Hawkins, Chief Operating Officer
Sara Silveria, Finance Director
Krystle D. Lindberg, Deputy Finance Director and Budget Officer
Shomari Husband, City Treasurer
Gina M. Costa, Internal Auditor
John R. Azoomanian, Director of Public Property
Alejandro Tirado, Director of Purchasing

City Hall

• Providence, Rhode Island 02903

• 401) 680-5000



652 George Washington Highway
Suite 202
Lincoln, RI 02865
401-495-6581 Direct
401-333-3807 Fax

Matthew Blais
Vice President
Matthew.blais@hilltopsecurities.com

To: Chief Financial Officer Lawrence J. Mancini
Director of Finance Sara Silveria

From: Matthew Blais, Vice President, HilltopSecurities

CC: Deputy Finance Director Krystle Lindberg
Sean Fisher, HilltopSecurities

Date: April 29, 2024

RE: **Financial Institution Selection for \$20,000,000 Master Lease, Series 2024**

On behalf of the City of Providence Finance Department (City) HilltopSecurities compiled the City's \$20,000,000 addendums to the Tax-Exempt Master Lease Request for Proposals (RFP). The RFP addendums were released on March 28, 2024, responses were due on April 10, 2024, and the City received four proposals.

HilltopSecurities reviewed and summarized the responses to the City, and provided that summary to City officials on Friday, April 12, 2024. The responses were further discussed with Chief Financial Officer Mancini on Monday, April 15, 2024. The addendums to the master lease RFP were distributed to 18 firms, of which four responded with proposals.

Each of the respondents, Banc of America Public Capital Corp., JP Morgan Chase Bank, Municipal Leasing Consultants (MLC) and Santander Bank are well known, quality names in the municipal leasing space and provided strong proposals. A summary of the key provisions of each is attached to this memo.

As discussed with Chief Financial Officer Mancini, the significant material differences in the proposals were the methodology to set the interest rates, upfront costs and establishment of an escrow for deposit of the proceeds.

- Banc of America Public Capital Corp. proposed lower interest rates as of the date of the proposal on both the 5-year and 7-year options compared to the other banks, and they will not charge any upfront expenses to the City.
- JP Morgan proposed the second lowest interest rate options. For the 2-year interest-only option, JP Morgan's rates were higher by 50 basis points for the 5-year maturity option and 35 basis points for the 7-year maturity option when compared to Banc of America Public Capital Corp.

- MLC submitted a late bid and had the highest rates of the four banks who responded. MLC also proposed to charge various upfront fees, including fees to establish the escrow and a documentation fee.
- Santander's proposal highlights that any interest to be earned in the escrow would be retained by the bank and not towards the benefit of the City.
- Banc of America Public Capital Corp. will not charge a fee for establishment of the escrow if it is with their preferred provider, and any interest earned will be to the benefit of the City, which may be applied to offset the interest-only payments in the first two years. There are also several escrow investment options that will be offered to the City. Each bidder provided comparable prepayment provisions.

In discussion with Chief Financial Officer Mancini, HilltopSecurities concurs that the Banc Of America Public Capital Corp. 7-year option, is the best option for the 7-year, \$20 million dollar Master lease, based upon the proposed rate, comparative terms and option to invest the escrow to the City's benefit.

HilltopSecurities supports the City's recommendation to the Board of Contract and Supply to award the \$20 million dollar Master Lease to Banc of America Public Capital Corp.

Attachments: RFP
RFP Response Summary

City of Providence, Rhode Island
Tax-Exempt Master Lease Proposal Summary 2024
Due: April 10, 2024

Bank	Bank of America Public Capital Corp.	J.P. Morgan Chase Bank
Principal Contact:	Charles Maguire, 804-489-5044; charles.maguire@bofa.com	Michael Lucas, 312-732-7333; michael.j.lucas@jpmorgan.com
Lease Amount:	\$20,000,000	\$20,000,000
Interest Rate Calculation:	Not Provided	<u>Rate Calculation</u> (3Yr / 4Yr SOFR Swap Rate * 79%) + Spread
Interest Rate:	<u>2 Years Interest Only</u> 5 - Year: 4.2055% 7 - Year: 4.2905% <u>Standard Amortization:</u> 5 - Year: 4.2588% 7 - Year: 4.3001%	<u>2 Years Interest Only</u> 5 - Year: 4.71% 7 - Year: 4.64% <u>Standard Amortization:</u> 5 - Year: 4.71% 7 - Year: 4.64%
Annual Projected Debt Service Cost (5-Year Option With and Without Interest Only Period):	<u>2 Years Interest Only</u> Interest Only Payment (2025): \$913,526 Interest Only Payment (2026): \$841,098 Principal and Interest Payment (2027-2029): \$7,235,096 <u>No Interest Only Period:</u> Principal and Interest Payment (2025-2029): \$4,541,171	<u>2 Years Interest Only</u> Interest Only Payment (2025): \$965,550 Interest Only Payment (2026): \$942,000 Principal and Interest Payment (2027-2029): \$7,304,297 <u>No Interest Only Period:</u> Principal and Interest Payment (2025-2029): \$4,587,679
Annual Projected Debt Service Cost (7-Year Option With and Without Interest Only Period):	<u>2 Years Interest Only</u> Interest Only Payment (2025): \$931,996 Interest Only Payment (2026): \$858,104 Principal and Interest Payment (2027-2031): \$4,529,271 <u>No Interest Only Period:</u> Principal and Interest Payment (2025-2031): \$3,381,208	<u>2 Years Interest Only</u> Interest Only Payment (2025): \$981,200 Interest Only Payment (2026): \$928,000 Principal and Interest Payment (2027-2031): \$4,573,621 <u>No Interest Only Period:</u> Principal and Interest Payment (2025-2031): \$3,415,220
Expiration of Quote:	<ul style="list-style-type: none"> Rate locked until May 31, 2024 and will be honored so long as the transaction is funded before such date. Lessee must notify the Bank of acceptance of the rate by April 17, 2024. 	<p>Proposal must be accepted by June 10, 2024</p> <p>Rate will not be held firm until agreed upon prior to closing.</p>
Fees:	<ul style="list-style-type: none"> Lessee and lessor will each be responsible for its own expenses incurred in connection with the preparation, negotiation and closing of the lease documentation. There are no other fees or costs, associated with this transaction. Response did not reference the PFMB fee. 	<ul style="list-style-type: none"> Lessor will pay the one time setup fee for the escrow account if Lessee uses Deutsche Bank. Response does not reference the PFMB fee.
Prepayment Option:	Prepayment blackout period for the first half of the term, followed by pre-payment at par in whole on any payment date.	<p><u>Option 1:</u> The Financing may be prepaid without penalty, in whole but not in part, prior to maturity, on any payment date after the initial 12 months from Commencement, subject to 30 days prior written notice. Prepayment may be subject to fixed rate/"make whole" break funding charge.</p> <p><u>Option 2: 5 Year Term</u> For an additional 14.5 bps added to the rates above, the Financing may be prepaid without penalty, in whole but not in part, prior to maturity, on any payment date after the initial 36 months from Commencement, subject to 30 days prior written notice. If the Lessee prepays the financing prior to the 36th month from Commencement, the payment may be subject to a fixed rate/"make whole" charge</p> <p><u>Option 2: 7 Year Term</u> For an additional 18.5 bps added to the rates above, the Financing may be prepaid without penalty, in whole but not in part, prior to maturity, on any payment date after the initial 48 months from Commencement, subject to 30 days prior written notice. If Lessee prepays the financing prior to the 48th month from the Commencement, the payment may be subject to fixed rate/"make whole" break funding charge.</p>
Other Terms and Conditions:	<p>Due diligence requirements:</p> <ul style="list-style-type: none"> Three years of audited financials Tax Opinion (Over \$5 million) Most recent fiscal year's budget Insurance Certificate 	<ul style="list-style-type: none"> Acceptable legal documentation including opinion from counsel Terms and conditions subject to final credit approval

City of Providence, Rhode Island
 Tax-Exempt Master Lease Proposal Summary 2024
 Due: April 10, 2024

Late Submission		
Bank	MLC Municipal Leasing Consultants	Santander Bank
Principal Contact:	Renee Piche, 802-372-8435; renee.piche@powerofleasing.com	Bruce Block, 631-531-0626; bblock@santander.us
Lease Amount:	\$20,000,000	\$20,000,000
Interest Rate Calculation:	Not Provided	Not Provided
Interest Rate:	<u>2 Years Interest Only</u> 5 - Year: 5.01% 7 - Year: 5.02% <u>Standard Amortization:</u> 5 - Year: 5.01% 7 - Year: 5.02%	<u>2 Years Interest Only</u> 5 - Year: 4.76% 7 - Year: 4.76% <u>Standard Amortization:</u> 5 - Year: 4.76% 7 - Year: 4.76%
Annual Projected Debt Service Cost (5-Year Option With and Without Interest Only Period):	<u>2 Years Interest Only</u> Interest Only Payment (2025): \$1,153,984 Interest Only Payment (2026): \$1,002,000 Principal and Interest Payment (2027-2029): \$7,345,547 <u>No Interest Only Period:</u> Principal and Interest Payment (2025-2029): \$4,654,212	<u>2 Years Interest Only</u> Interest Only Payment (2025): \$1,037,879 Interest Only Payment (2026): \$952,000 Principal and Interest Payment (2027-2029): \$7,311,167 <u>No Interest Only Period:</u> Principal and Interest Payment (2025-2029): \$4,607,700
Annual Projected Debt Service Cost (7-Year Option With and Without Interest Only Period):	<u>2 Years Interest Only</u> Interest Only Payment (2025): \$1,156,302 Interest Only Payment (2026): \$1,004,000 Principal and Interest Payment (2027-2031): \$4,622,050 <u>No Interest Only Period:</u> Principal and Interest Payment (2025-2031): \$3,483,982	<u>2 Years Interest Only</u> Interest Only Payment (2025): \$1,037,879 Interest Only Payment (2026): \$952,000 Principal and Interest Payment (2027-2029): \$4,588,891 <u>No Interest Only Period:</u> Principal and Interest Payment (2025-2031): \$3,440,438
Expiration of Quote:	Rates are fixed until May 10, 2024 in anticipation of closing/funding by this date. Thereafter, the rate will float and not be locked in until documents are prepared for closing and be based on the like term swap rates.	Response does not include an expiration date.
Fees:	Lessee is responsible for all fees including: <ul style="list-style-type: none"> • \$575 Escrow Account Fee • \$875 Documentation Fee (non-refundable once credit approval is granted) • Response does not reference the PFMB fee 	Lessee will be responsible for any fees or expenses with respect to its: <ul style="list-style-type: none"> • Legal counsel and financial advisor fees; • Escrow fees; • \$5,000 RI PFMB fee; • Permits, titles and registration fees, if applicable Santander is willing to finance any of these expenses related to closing the transaction.
Prepayment Option:	Lessee will have the option to prepay on any payment date for 102% for the remaining balance.	Lessee will have option to prepay on any payment date with no prepayment penalty after the first anniversary of lease commencement.
Other Terms and Conditions:	<ul style="list-style-type: none"> • Lease has \$1.00 buyout at termination • Credit approval may take 10 to 14 business days after proposal acceptance • City will provide financial statements for prior 3 fiscal years and current year budget 	<ul style="list-style-type: none"> • No escrow fee if Santander provides escrow account (any interest will be retained by Santander) • If 3rd party escrow account required, Santander will charge a \$2,500 administration fee • Terms and conditions subject to final credit approval

City of Providence Master Lease, 2024

	Date	Draws	Balance	Interest (4.25%) Monthly	Interest (4.25%) By 7/1 Payment Date	Master Lease Payments (7-Yr)
0	5/30/2024	\$ -	\$ 20,000,000	\$ -	\$ -	\$ -
1	6/1/2024	-	20,000,000	2,361	-	-
2	7/1/2024	2,250,000	17,750,000	62,865	-	-
3	8/1/2024	-	17,750,000	62,865	-	-
4	9/1/2024	1,000,000	16,750,000	59,323	-	-
5	10/1/2024	1,000,000	15,750,000	55,781	-	-
6	11/1/2024	1,000,000	14,750,000	52,240	-	-
7	12/1/2024	-	14,750,000	52,240	-	-
8	1/1/2025	1,000,000	13,750,000	48,698	-	-
9	2/1/2025	1,000,000	12,750,000	45,156	-	-
10	3/1/2025	-	12,750,000	45,156	-	-
11	4/1/2025	1,000,000	11,750,000	41,615	-	-
12	5/1/2025	1,500,000	10,250,000	36,302	-	-
13	6/1/2025	-	10,250,000	36,302	-	-
14	7/1/2025	-	10,250,000	36,302	637,205	931,997
15	8/1/2025	-	10,250,000	36,302	-	-
16	9/1/2025	-	10,250,000	36,302	-	-
17	10/1/2025	-	10,250,000	36,302	-	-
18	11/1/2025	-	10,250,000	36,302	-	-
19	12/1/2025	-	10,250,000	36,302	-	-
20	1/1/2026	-	10,250,000	36,302	-	-
21	2/1/2026	-	10,250,000	36,302	-	-
22	3/1/2026	-	10,250,000	36,302	-	-
23	4/1/2026	4,000,000	6,250,000	22,135	-	-
24	5/1/2026	-	6,250,000	22,135	-	-
25	6/1/2026	-	6,250,000	22,135	-	-
26	7/1/2026	-	6,250,000	22,135	378,958	858,104
27	8/1/2026	-	6,250,000	22,135	-	-
28	9/1/2026	-	6,250,000	22,135	-	-
29	10/1/2026	-	6,250,000	22,135	-	-
30	11/1/2026	-	6,250,000	22,135	-	-
31	12/1/2026	-	6,250,000	22,135	-	-
32	1/1/2027	-	6,250,000	22,135	-	-
33	2/1/2027	-	6,250,000	22,135	-	-
34	3/1/2027	-	6,250,000	22,135	-	-
35	4/1/2027	-	6,250,000	22,135	-	-
36	5/1/2027	-	6,250,000	22,135	-	-
37	6/1/2027	6,250,000	-	-	221,354	-
		\$ 20,000,000		\$ 1,237,517	\$ 1,237,517	\$ 1,790,101

ARGENT INSTITUTIONAL TRUST COMPANY

Escrow Account Investment Selection Form for funds invested in a money market fund or interest-bearing deposit account

Argent Institutional Trust Company (the "Escrow Agent") offers short-term investment vehicles to our escrow clients for purposes of short-term cash investment. Clients can choose a short-term investment solution for use as the daily "cash sweep" vehicle for all funds not being employed for other investment purposes. This Escrow Account Investment Selection Form represents money market funds and bank deposit investment vehicles which are currently available for investment of funds held in an Argent Institutional Trust Company Escrow Account, which availability is subject to change following the date of the Escrow Account and Account Control Agreement. A properly completed, signed and dated Escrow Account Investment Selection Form must be received by the Escrow Agent in order for the Escrow Account to be invested in a money market fund or bank deposit investment vehicle.

Any investment in a money market fund or bank deposit investment vehicle may be changed by delivery to the Escrow Agent of a written request executed by LESSEE including a revised and re-executed Escrow Account Investment Selection Form. Upon receipt of such request the Escrow Agent will reinvest the Escrow Fund in the indicated investment within two (2) Business Days or such additional time as may be required due to circumstances beyond the Escrow Agent's control.

The Escrow Agent shall not be responsible to any party hereto or to any other person or entity for any loss or liability arising in respect of any investment made in accordance with the written direction of the LESSEE. If a money market fund is designated herein as the initial investment for the Escrow Account, the LESSEE acknowledges receipt of the prospectus for such fund.

INFORMATION AND DISCLOSURES REGARDING INVESTMENTS

Interest Bearing Deposit Account:

U.S and non U.S. Corporate and Institutional Investor Use Only

TERMS AND CONDITIONS - The Interest-Bearing Deposit Account ("IBDA") is a Deposit Account held by Argent Institutional Trust Company ("AITC") in its partner financial institution. To deposit funds in IBDA you must establish and maintain an account with Argent Institutional Trust Company pursuant to the terms of a written account agreement, including the Escrow Agreement (the "Relationship Terms"). Your funds may only be placed on deposit in or withdrawn from IBDA by the Escrow Agent acting on your behalf under the Relationship Terms and under the terms and conditions set forth herein. You will receive a statement from the Escrow Agent reflecting any balances held in IBDA and such balances, and any deposits to or withdrawals from IBDA on your behalf, will not be reflected on any other statement you receive.

An IBDA is a type of demand deposit account and may be reflected on your account statement as Interest Bearing Deposit Account. IBDA will pay interest at a rate determined by AITC. Market conditions and/or other factors may cause AITC to change the rate at any time. In the event the rate changes, the Escrow Agent will reflect the implementation of the new rate on your account statement as of the effective date of the change. AITC reserves the right to pay no interest on the account.

Funds deposited in IBDA are insured to the maximum extent permitted by law and regulation by the Federal Deposit Insurance Corporation. **IBDA as available through Argent Institutional Trust Company as Escrow Agent is not collateralized.** IBDA has a normal cutoff time of 2:00PM (central time) and any cash received after that time will not be invested until the next business day. Past performance is no guarantee of future results.

Money Market Funds:

U.S Corporate and Institutional Investor Use Only

For more complete information about a money market fund listed in this form, including expenses, investment objectives, and past performance, please refer to the prospectus. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Investments in money market mutual funds are neither insured nor guaranteed by Argent Institutional Trust Company and its affiliates, or by any Government Agency. **There can be no assurance that the funds can maintain a stable net asset value of \$1.00 per share.** Argent Institutional Trust Company typically has a normal cut-off time of two hours prior to the money market mutual fund's stated cut off time and any cash received after that time will not be invested until the next Business Day.

The parties to the agreement understand and agree that the Escrow Agent may receive certain revenue associated with money market fund investments. These revenues take one of two forms:

Shareholder Servicing Payments: The Escrow Agent may receive shareholder servicing payments commensurate with the shareholder services provided for the money market fund company. Shareholder services typically provided by Argent Institutional Trust

Company include the maintenance of shareholder ownership records, distributing prospectuses and other shareholder information materials to investors and handling proxy-voting materials. Typically shareholder servicing payments are paid under a money market fund's 12b-1 distribution plan and impact the investment performance of the fund by the amount of the fee. The shareholder servicing fee payable from any money market fund is detailed in the fund's prospectus provided to you.

Revenue Sharing Payments: The Escrow Agent may receive revenue sharing payments from a money market fund company. These payments represent a reallocation to the Escrow Agent of a portion of the compensation payable to the fund company in connection with a money market fund investment. Revenue sharing payments constitute a form of fee sharing between the fund company and the Escrow Agent and do not, as a general rule, result in any additional charge or expense in connection with a money market fund investment, are not paid under a 12b-1 plan, and do not impact the investment performance of the fund. The amount of any revenue share, if any, payable to the Escrow Agent with respect to your account's investments is available upon request.

In the event that a money market fund has been designated as the investment, the parties hereto acknowledge delivery of the prospectus for such fund. **The Parties hereto acknowledge that with respect to any such "cash sweep vehicle", if applicable, money market funds and other non-deposit investments are not deposits within the meaning of the Federal Deposit Insurance Act (12 U.S.C. 1813(f)), are not insured or guaranteed by the U.S. Government, the FDIC or any other government agency, are not insured, endorsed or guaranteed by Argent Institutional Trust Company, are not obligations of Argent Institutional Trust Company, and involve investment risk, including possible loss of principal. If a receiver were appointed for Argent Institutional Trust Company, the client would have an ownership interest in the shares of the Mutual Fund that Argent Institutional Trust Company purchased on behalf of the client.**

ARGENT INSTITUTIONAL TRUST COMPANY ESCROW ACCOUNT INVESTMENT SELECTION			
Please place an "X" to the left of the investment selected below	FUND NUMBER	CUSIP	TICKER
<i>Interest Bearing Deposit Account is held at Bank of America, N.A.</i>			
<input type="checkbox"/> Interest Bearing Deposit Account	N/A	N/A	N/A
<i>US Government & Agency Money Market Funds</i>			
<input type="checkbox"/> Goldman Sachs Financial Square Government Fund – Service	467	38141W257	FOSXX
<input type="checkbox"/> Dreyfus Government Cash Management Fund – Participant	597	262006505	DPGXX
<i>Treasury Money Market Funds</i>			
<input type="checkbox"/> BlackRock Liquidity Funds Treasury Fund – Cash Management	34	09248U668	BPTXX
<input type="checkbox"/> Goldman Sachs Financial Square Treasury Obligations Fund – Service	470	38141W299	FYAXX
<i>Federal Money Market Funds</i>			
<input type="checkbox"/> BlackRock Liquidity Funds Federal Fund – Cash Management	87	09248U882	BFFXX
<input type="checkbox"/> Goldman Sachs Financial Square Federal Instruments Fund – Service	4685	38148U627	FILXX

Acknowledged and Agreed this _____ day of _____, 20____.

By: [Company Name]

Name: _____

Escrow Account Name: _____

Title: _____

Escrow Account Number: _____

Mancini, Lawrence

From: Matthew Blais <Matthew.Blais@hilltopsecurities.com>
Sent: Wednesday, April 24, 2024 4:46 PM
To: Mancini, Lawrence
Subject: RE: [EXTERNAL] Master Lease Escrow
Attachments: Leasing Escrow Investment Selection Form AITC as of 3.15.24.docx

Hi Larry,
 We heard back from BofA on the escrow account for the Master Lease.

The Escrow Agent would be Argent Institutional Trust Company, and a draft of their selection form was provided to us and attached here. It did not include the current interest rate, but we researched where those are and provided them in the table below.

ARGENT INSTITUTIONAL TRUST COMPANY						
ESCROW ACCOUNT INVESTMENT SELECTION						
Please place an "X" to the left of the investment selected below	FUND NUMBER	CUSIP	TICKER	CURRENT YIELD		
<i>Interest Bearing Deposit Account is held at Bank of America, N.A.</i>						
	Interest Bearing Deposit Account	N/A	N/A	N/A		-
<i>US Government & Agency Money Market Funds</i>						
	Goldman Sachs Financial Square Government Fund – Service	467	38141W257	FOSXX		4.64%
	Dreyfus Government Cash Management Fund – Participant	597	262006505	DPGXX		4.72%
<i>Treasury Money Market Funds</i>						
	BlackRock Liquidity Funds Treasury Fund – Cash Management	34	09248U668	BPTXX		4.63%
	Goldman Sachs Financial Square Treasury Obligations Fund – Service	470	38141W299	FYAXX		4.63%
<i>Federal Money Market Funds</i>						
	BlackRock Liquidity Funds Federal Fund – Cash Management	87	09248U882	BFFXX		4.63%
	Goldman Sachs Financial Square Federal Instruments Fund – Service	4685	38148U627	FILXX		4.61%

Let me know if you have any questions.



652 George Washington Highway
Suite 202
Lincoln, RI 02865
401-495-6581 Direct
401-333-3807 Fax

Matthew Blais
Vice President
Matthew.blais@hilltopsecurities.com

To: Chief Financial Officer Lawrence J. Mancini
Director of Finance Sara Silveria

From: Matthew Blais, Vice President, HilltopSecurities

CC: Deputy Finance Director Krystle Lindberg
Sean Fisher, HilltopSecurities

Date: May 1, 2024

RE: **Distribution of the \$20,000,000 Master Lease Request for Proposals**

HilltopSecurities working with the City of Providence Finance Department (City) distributed the City's \$20,000,000 Tax-Exempt Master Lease Request for Proposals (RFP) to the following 18 municipal leasing firms. The RFP addendums were released on March 28, 2024, responses were due on April 10, 2024, and the City received four proposals from Banc of America Public Capital Corp., JP Morgan Chase Bank, Municipal Leasing Consultants (MLC) and Santander Bank.

	BANK
1	Bank of America
2	Bank Newport
3	BankRI
4	BayCoast Bank
5	Berkshire Bank
6	Capital One Bank
7	Centerville Bank
8	Citizens Bank
9	Coastal1 Bank
10	Key Bank
11	Municipal Leasing Consultants
12	Santander
13	TD Bank
14	US Bank
15	Washington Trust
16	Webster
17	JP Morgan/Chase
18	Zion's Bank

Charles T. Maguire
Senior Vice President
Government Equipment Finance

Bank of America Public Capital Corp
VA2-300-18-02
1111 E. Main Street, 18th Floor
Richmond, VA 23219
Email: charles.maguire@bam.com
Tel: (804) 489-5044

April 10, 2024

City of Providence
Providence, RI

c/o Mathew Blais, Hilltop Securities

Dear Mr. Blais,

Bank of America Public Capital Corporation ("BAPCC") is pleased to submit to you ("Issuer") the Lease financing proposal (the "Proposed Transaction") described in the attached Summary of Terms and Conditions (the "Term Sheet").

This letter and the Term Sheet (collectively, the "Proposal" or "Proposal Letter") include only a brief description of the principal terms of the Proposed Transaction and are intended for discussion purposes only. This Proposal Letter is not intended to and does not create any binding legal obligation on the part of either party. BAPCC will not be obligated to provide any financing until the satisfactory completion of its credit, legal and investment approval process. The terms and conditions of this Proposal Letter shall be superseded by and shall no longer be effective upon the execution and delivery of final legal documentation with respect to this Proposed Transaction.

This Proposal must be accepted on or before **April 17, 2024**, for BAPCC to proceed with its consideration of the Proposed Transaction. To accept this proposal, please sign the enclosed copy of this letter and return it, by no later than April 17, 2024, to:

Bank of America Public Capital Corp
1111 E. Main Street, 10th Floor
Richmond, VA 23832

We appreciate this opportunity to present Bank of America.

Very truly yours,

Charles T. Maguire

Charles T. Maguire
Senior Vice President

"Bank of America" is the marketing name used by certain Global Banking and Global Markets businesses of Bank of America Corporation. Lending, leasing, equipment finance and other commercial banking activities, and trading in certain financial instruments are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Bank of America Public Capital Corp, a wholly-owned subsidiary of Bank of America, National Association, is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, with respect to any municipal financial product or issuance of municipal securities. The information provided in this document 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 and the municipal advisor rules of the SEC. © 2022 Bank of America Corporation. All rights reserved.

Page 2

The undersigned, by its authorized representative below, accepts the above proposal, agrees to furnish Lessor, its successors and assigns, any information relating to the business or financial condition of Lessee or its affiliates, and authorizes Lessor, Bank of America N.A. and their affiliates to disclose to, discuss with and distribute such information (and any information they may already have) to any other affiliates or proposed assignees or successors of Lessor.

City of Providence, RI

By: _____

Title: _____

Date: _____

This proposal is submitted in response to your Request for Proposals dated March 28, 2024. The contents of this proposal and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the "Rules") of the Securities and Exchange Commission (240 CFR 15Ba1-1 et seq.).

The Staff of the SEC's Office of Municipal Securities has issued guidance which provides that, in order for a request for proposals to be consistent with this exemption, it must (a) identify a particular objective, (b) be open for not more than a reasonable period of time (up to six months being generally considered as reasonable), and (c) involve a competitive process (such as by being provided to at least three reasonably competitive market participants) or by being publicly posted to your official website. In submitting this proposal, we have relied upon your compliance with this guidance.

In submitting this proposal, we are not undertaking to act as a "municipal advisor" to you or any other person within the meaning of the Rules. In connection with this proposal and the transactions described herein, we are not subject to, and we hereby disclaim, any fiduciary duty to you or to any other person. We understand that you will consult with and rely on the advice of your own municipal, financial, tax, legal and other advisors as and to the extent you deem necessary in connection with your evaluation of this proposal and the transactions described herein.

The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.

SUMMARY OF TERMS AND CONDITIONS

Date: April 10, 2024

Lessee: City of Providence, RI

Lessor: Banc of America Public Capital ("BAPCC") or its assignee or designee ("Lessor")

Equipment: Various equipment and vehicles per RFP, subject to essentiality and Lessor's review and approval.

Security: BAPCC will have a security interest in the Equipment.

Structure: The Lease will be structured as a **NON-BANK QUALIFIED TAX-EXEMPT** transaction. This is a lease intended as security transaction; all tax benefits will remain with Lessee; the lease will be a net financial lease, and all expenses, including (but not limited to) insurance, maintenance, and taxes, will be for the account of Lessee.

Term: 5 and 7 years.

Maximum Funding: Not to exceed \$20,000,000

Rate: 5 years: 4.2588%, see attached amortization.
7 years: 4.3001%, see attached amortization.

5 years (2-YR interest only): 4.2055%, see attached amortization.
7 years (2-YR interest only): 4.2905%, see attached amortization.

The current rates are locked until May 31, 2024, and will be honored so long as the transaction is funded before such date. After May 31, 2024, Lessor may adjust the rate upward depending on changes in interest rates between May 31, 2024, and the date the final pricing is determined.

In order to lock the rate, the Lessee must notify (email is fine) BAPCC of acceptance of the rates within 5 business days from the issuance of this proposal.

Payments: Payments will be in accordance with the attached amortization schedule. Please note if alternative payment frequencies (i.e. quarterly, semiannual or annual) or changes to the principal amounts due on each payment date are requested, this may be accommodated but any changes to the average life may also impact the rate quoted herein.

Insurance: Lessee may be required to provide, at its expense, casualty insurance (with such deductibles as Lessor may approve) Lessor has the ability, if necessary, to obtain and provide any insurance certificate required.

Prepayment: There will be a prepayment blackout period for the first half of the term, followed by pre-payment at par in whole on any payment date.

Governmental

Entity Lease: The Base Rent installments are calculated on the assumptions, and Lessee will represent, that Lessee is a state or political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code (the "Code"), that this transaction will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code. Lessee shall provide Lessor with such evidence as Lessor may request to substantiate and maintain such tax status.

The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.

Lessee will indemnify Lessor only as to the actions or omissions of the lessee, on an after-tax basis, against any loss of Federal income tax exemption of the interest portion of the rentals and against any penalties and interest imposed by the Internal Revenue Service on Lessor in connection therewith on a lump-sum basis.

Non-Appropriation

Termination: Lessee affirms that funds are available for the current fiscal year and reasonably believes that sufficient funds can be obtained to make all rental payments during each subsequent fiscal year. Lessee will regularly budget for and otherwise use its best efforts to obtain funds for the continuation of the rentals in this transaction.

Expenses: Lessee and Lessor will each be responsible for its own expenses incurred in connection with the preparation, negotiation and closing of the lease documentation. There are no other fees or costs associated with this transaction.

Escrow

Account: *Lessee shall deposit*, subject to compliance with applicable regulations under the Internal Revenue Code, including, but not limited to arbitrage regulations, the proceeds of the Lease in an escrow acceptable to Lessor, and disbursements made therefrom to pay for the Project upon the execution and delivery of an acceptance certificate (and related documents) by Lessee and approved by Lessor.

Documents: Lease documents in form and substance satisfactory to Lessor and its local counsel must be executed and delivered. If Lessor requests, Lessee will also furnish duly executed landlord and mortgage waivers and supporting information. Lessee will also provide board resolutions, incumbency certificates and other documentation required by Lessor as well as a Tax Opinion due to dollar size.

Many of the terms and conditions contained in the RFP and its attachments are not applicable to a financing transaction such as is contemplated by the RFP and this proposal response. Consequently, the terms and conditions contained in the final lease agreement negotiated and executed by and between the parties shall govern the relationship. Unless a provision is expressly included in that final lease agreement or its related documentation, said provision will not apply.

Credit Due

Diligence: To complete its credit due diligence, Banc of America Public Capital Corp Credit Administration will need you to provide:

- Three years of most recent audited financial statements;
- Tax Opinion (Over \$5 million)
- Most recent fiscal year's Budget
- Insurance Certificate

Private

Placement: The proposed transaction is a private placement that will not require (i) any additional public ongoing disclosure requirements, (ii) any additional public offering document generation requirements, or (iii) any underwriting or related fees.

Market

Disruption: Notwithstanding anything contained herein to the contrary, in the event any material change shall occur in the financial markets after the date of this Proposal Letter, including but not limited to any governmental action or other event which materially adversely affects the extension of credit by banks, leasing companies or other lending institutions, the Lessor may modify the indicative pricing described above.

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USA Patriot Act

Compliance: The Lessee acknowledges that pursuant to the requirements of the USA Patriot Act, as amended from time to time (including as amended by the USA Freedom Act of 2015) (the "Patriot Act"), the Lessor is required to obtain, verify and record information that identifies the Lessee, which information includes the name and address of the Lessee and other information that will allow the Lessor to identify the Lessee in accordance with the Patriot Act.

SEC Disclosure: Lessee acknowledges and agrees that, if, in connection with its efforts to comply with the requirements of SEC Rule 15c2-12(b)(5) of the Securities and Exchange Act of 1934, Lessee decides to file any documentation related to the proposed transaction to EMMA (the "*Disclosed Documents*"), such Disclosed Documents shall be filed with redactions that will be mutually agreed upon by the parties to ensure that there is no confidential information of Lessor included in the posted documents (i.e. account information, names of signatories).

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5 Year - Lease Amortization:

Date	Funding	Payment	Interest @ 4.2588	Principal	Balance
5/30/2024	\$ 20,000,000.00				\$ 20,000,000.00
7/1/2025		\$ 4,541,171.14	\$ 925,104.07	\$ 3,616,067.07	\$ 16,383,932.93
7/1/2026		\$ 4,541,171.14	\$ 697,757.48	\$ 3,843,413.66	\$ 12,540,519.27
7/1/2027		\$ 4,541,171.14	\$ 534,074.52	\$ 4,007,096.62	\$ 8,533,422.65
7/1/2028		\$ 4,541,171.14	\$ 363,420.64	\$ 4,177,750.49	\$ 4,355,672.16
7/1/2029		\$ 4,541,171.14	\$ 185,498.98	\$ 4,355,672.16	\$ -
	\$ 20,000,000.00	\$ 22,705,855.69	\$ 2,705,855.69	\$ 20,000,000.00	

7 Year - Lease Amortization:

Date	Funding	Payment	Interest @ 4.3001	Principal	Balance
5/30/2024	\$ 20,000,000.00				\$ 20,000,000.00
7/1/2025		\$ 3,381,208.14	\$ 934,083.47	\$ 2,447,124.67	\$ 17,552,875.33
7/1/2026		\$ 3,381,208.14	\$ 754,796.20	\$ 2,626,411.94	\$ 14,926,463.39
7/1/2027		\$ 3,381,208.14	\$ 641,857.11	\$ 2,739,351.03	\$ 12,187,112.36
7/1/2028		\$ 3,381,208.14	\$ 524,061.49	\$ 2,857,146.65	\$ 9,329,965.71
7/1/2029		\$ 3,381,208.14	\$ 401,200.52	\$ 2,980,007.62	\$ 6,349,958.09
7/1/2030		\$ 3,381,208.14	\$ 273,056.36	\$ 3,108,151.78	\$ 3,241,806.30
7/1/2031		\$ 3,381,208.14	\$ 139,401.84	\$ 3,241,806.30	\$ -
	\$ 20,000,000.00	\$ 23,668,456.98	\$ 3,668,456.98	\$ 20,000,000.00	

The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.

5 Year (2YR Interest only) - Lease Amortization:

Date	Funding	Payment	Interest @ 4.2055	Principal	Balance
5/30/2024	\$ 20,000,000.00				\$ 20,000,000.00
7/1/2025		\$ 913,526.13	\$ 913,526.13	\$ -	\$ 20,000,000.00
7/1/2026		\$ 841,098.22	\$ 841,098.22	\$ -	\$ 20,000,000.00
7/1/2027		\$ 7,235,096.36	\$ 841,098.22	\$ 6,393,998.13	\$ 13,606,001.87
7/1/2028		\$ 7,235,096.36	\$ 572,199.20	\$ 6,662,897.16	\$ 6,943,104.71
7/1/2029		\$ 7,235,096.36	\$ 291,991.65	\$ 6,943,104.71	\$ -
	\$ 20,000,000.00	\$ 23,459,913.43	\$ 3,459,913.43	\$ 20,000,000.00	

7 Year (2YR Interest only) - Lease Amortization:

Date	Funding	Payment	Interest @ 4.2905	Principal	Balance
5/30/2024	\$ 20,000,000.00				\$ 20,000,000.00
7/1/2025		\$ 931,996.54	\$ 931,996.54	\$ -	\$ 20,000,000.00
7/1/2026		\$ 858,104.23	\$ 858,104.23	\$ -	\$ 20,000,000.00
7/1/2027		\$ 4,529,271.21	\$ 858,104.23	\$ 3,671,166.98	\$ 16,328,833.02
7/1/2028		\$ 4,529,271.21	\$ 700,592.03	\$ 3,828,679.17	\$ 12,500,153.85
7/1/2029		\$ 4,529,271.21	\$ 536,321.74	\$ 3,992,949.46	\$ 8,507,204.39
7/1/2030		\$ 4,529,271.21	\$ 365,003.40	\$ 4,164,267.80	\$ 4,342,936.59
7/1/2031		\$ 4,529,271.21	\$ 186,334.61	\$ 4,342,936.59	\$ -
	\$ 20,000,000.00	\$ 24,436,456.79	\$ 4,436,456.79	\$ 20,000,000.00	

The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.

J.P.Morgan

Request for Proposal

City of Providence, Rhode Island

Tax-Exempt Master Lease Purchase Program

JPMorgan Chase Bank, N.A. | Equipment Finance Group | April 10, 2024

CONTACT US

MICHAEL J. LUCAS
Executive Director
JPMorgan Equipment Finance
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J.P.Morgan

Michael J. Lucas
Executive Director
Commercial Bank

April 10, 2024

City of Providence, Rhode Island
Matthew Blais, Hilltop Securities Inc.
matthew.blais@hilltopsecurities.com

Re: RFP for a Tax Exempt Master Lease Purchase Program

Mr. Blais,

JPMorgan Equipment Finance ("Equipment Finance"), a division of JPMorgan Chase Bank, N.A. (the "Bank"), is pleased to propose for discussion indicative terms to the City of Providence, Rhode Island (the "City"), for a tax-exempt, non-bank qualified, municipal capital lease financing in an amount of \$20,000,000 subject to the terms and conditions described in our proposal.

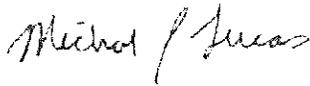
Equipment Finance has been the market leader in municipal equipment finance credit for over 30 years. JPMorgan Chase Bank ranks among the largest providers of credit facilities in the municipal market today. Our deep familiarity with this sector is viewed as a strong benefit by the municipal clients with whom we do business. We believe that our experience in providing credit support, coupled with our long experience in deal execution, will ensure an efficient, cost-effective transaction for the City of Providence.

The City will be supported by our dedicated relationship team via the firm's Government Banking practice, led by Brendan Hammatt. In addition, I will be your primary point of contact for this contract. My equipment financing experience goes back over 16 years and includes servicing many municipal entities' lease-purchase financing programs.

We appreciate the opportunity to participate in the City of Providence's RFP for the Tax-Exempt Master Lease Purchase Program. Should you have any questions about any aspect of this proposal, please do not hesitate to contact me at (312) 732-7333.

Thank you, and we look forward to the opportunity to work with the City of Providence.

Sincerely,



Michael J. Lucas
Executive Director

10 S Dearborn St, Floor 36 Chicago, IL 60603
Office: (312) 732-7333 | Cell: (630) 670-2948 | Michael.j.lucas@jpmorgan.com
JPMorgan Chase Bank, N.A.

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Qualifications

JPMorgan Chase Bank, N.A. ("JPMorgan Chase") is a wholly owned subsidiary of JPMorgan Chase & Co. (NYSE: JPM) and is a national association rated A2 by Moody's and AA- by Fitch. JPMorgan Chase was opened in 1824 in New York, New York and was known as Chase Manhattan Bank until it merged with JPMorgan & Co. in 2000.

The JPMorgan Equipment Finance Group ("EFG") is one of five businesses that comprise JPMorgan Chase's Commercial Bank. Equipment Finance serves over 3,000 customers in the United States and focuses upon meeting the leasing and equipment finance needs of various municipalities, counties, school districts, authorities, colleges and universities and hospital/healthcare providers. Equipment Finance operates offices in 23 states, employs over 180 people and is ranked as one of the top ten of "bank-owned" leasing companies operating in the United States.

The dedicated EFG Government, Healthcare, Higher Education and Not for Profit team has four Documentation Specialists who work on equipment lease financings, preparing documents and closing transactions. This requires preparing the documents, contract negotiations, facilitating credit approvals, pricing approvals, legal reviews, paying vendors/escrow agents, confirming authorized signers, transaction approvals (resolutions), UCC filings and insurance coverage among other duties. There are also six Portfolio Services employees who can assist the City with any account maintenance after a transaction is booked including the City's questions on payments, invoices, titles, insurance and other related issues. In addition to the above, the EFG team has inside counsel to help facilitate document negotiations and closings.

JPMorgan Chase maintains a constant commitment to developing innovative products and services that will anticipate the City's financial and budgetary needs, including seamless delivery of products and services through our team of specialized banking professionals. Our service model helps ensure that Equipment Finance is delivering a consultative, service-centered approach to maintaining what we hope will be a continuing and long-term relationship with you - supported by a fully integrated service center staffed with a team that shares our same level of commitment to providing outstanding service.

History & Past Performance- Equipment Financing

The EFG has a wealth of national experience with other municipal lease agreements of various financing amounts through both one-off financings and also multi-year master lease lines. The Bank finances assets that are deemed to be "essential use" to the functioning of the government and include such assets as personal and heavy vehicles, busses, IT equipment, energy projects, helicopters and other aircraft, furniture, communications equipment, etc.

These financings include but are not limited to a \$150 million Master Lease for the State of New Jersey in place since 2017, a \$60 million Master Lease for the Commonwealth of Kentucky running from 2010-2016, and 2016-present, multiple master lease lines for Miami Dade County financing transit busses of over \$200 million from 2018 to present and an Energy Project in 2011, \$11 million Series 2020, Finance Obligation in the City of San Antonio, \$9.5 million fire and police vehicle equipment line in New Orleans; a \$30 million crane financing for the Port of New Orleans, \$8 million equipment financing for various essential equipment purchases in Shreveport; a \$19 million lease line for acquisition of buses in Colorado; a \$30 million lease line for the acquisition of vehicles and other essential equipment in Utah; a \$12 million lease financing of computers and IT equipment in Colorado; and a \$35 million lease line for new IT systems in Montgomery County, Maryland. The following is a sample listing of additional financings executed:

- California State University
- The Ohio State University
- City of Lancaster
- University of Kentucky
- City of New Orleans
- Kent State University
- City of San Antonio
- City of Shreveport
- Northern Illinois University
- University of Washington
- Georgia Institute of Technology
- Trustees of Tufts College
- Morehead State University
- Orleans Parish Sherriff Department
- Miami-Dade County
- Commonwealth of Virginia
- Commonwealth of Pennsylvania
- State of California
- Ohio University
- University of Arkansas Fayetteville
- The Regents of the University of California
- Port of New Orleans
- St. John's University, New York
- The University of Akron
- State of Louisiana
- State of Maryland
- State of Minnesota
- Orleans Parish Communication District
- City of Fort Worth
- City of Los Angeles
- State of Colorado
- City of Pasadena
- Commonwealth of Kentucky
- State of New Jersey
- University of Illinois
- State of Indiana

Financial Strength

The following web address is a link to JPMorgan Chase and Co. (parent) and JPMorgan Chase Bank, N.A.'s (legal entity) financial information: <http://investor.shareholder.com/jpmorganchase/>. This site includes Annual Reports, Financial Information, Audited Statements, Investor Presentations, etc. Further, we have provided an overview of our current financial ratings from the three recognized rating agencies are below:

JPMORGAN CHASE BANK, N.A. Credit Agency Ratings

	Moody's	S&P	Fitch
Outlook	Negative	Stable	Stable
Short-term issuer rating	P-1	A-1	F1+
Short-term	P-1	A-1	F1+

Sample Level Debt Service Schedule

Sample Level Debt Service Schedule for 5-Year Amortization (2-Years of Interest Only)

Term: 5 Years
 Principal Amount (project costs): \$20,000,000
 Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply
 Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply
 Interest Calculation: 30/360 in arrears
 Final Maturity: July 1, 2029
 Annual Principal and Interest Payments: Interest only payments on July 1, 2025; July 1, 2026; level principal and interest payments on July 1, 2027; July 1, 2028; and July 1, 2029

Fixed 5-Year rate is: 4.71% (see index formula in the "Adjustment to Rate" section of the proposal)

5-Year Amortization Schedule

Aggregate average life (lending).....4.056 years
 Rate.....4.71000000%

Date	starting balance	takedowns	debt service	interest	principal	remaining balance
6/22/2024	\$ -	\$20,000,000.00	\$ -	\$ -	\$ -	\$20,000,000.00
7/1/2025	\$20,000,000.00	\$ -	\$ 965,550.00	\$ 965,550.00	\$ -	\$20,000,000.00
7/1/2026	\$20,000,000.00	\$ -	\$ 942,000.00	\$ 942,000.00	\$ -	\$20,000,000.00
7/1/2027	\$20,000,000.00	\$ -	\$ 7,304,297.72	\$ 942,000.00	\$ 6,362,297.72	\$13,637,702.28
7/1/2028	\$13,637,702.28	\$ -	\$ 7,304,297.72	\$ 642,335.78	\$ 6,661,961.94	\$ 6,975,740.35
7/1/2029	\$ 6,975,740.35	\$ -	\$ 7,304,297.72	\$ 328,557.37	\$ 6,975,740.35	\$ (0.00)
Total		\$20,000,000.00	\$23,820,443.15	\$3,820,443.15	\$20,000,000.00	

Sample Level Debt Service Schedule for 7-Year Amortization (2-Years of Interest Only)

Term: 7 Years
 Principal Amount (project costs): \$20,000,000
 Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply
 Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply
 Interest Calculation: 30/360 in arrears
 Final Maturity: July 1, 2031
 Annual Principal and Interest Payments: Interest only payments on July 1, 2025; July 1, 2026; level principal and interest payments on July 1, 2027; July 1, 2028; and July 1, 2029; July 1, 2030; and July 1, 2031

Fixed 7-Year rate is: 4.64% (see index formula in the "Adjustment to Rate" section of the proposal)

7-Year Amortization Schedule

Aggregate average life (lending).....5.116 years
 Rate.....4.64000000%

Date	starting balance	takedowns	debt service	interest	principal	remaining balance
6/22/2024	\$ -	\$20,000,000.00	\$ -	\$ -	\$ -	\$20,000,000.00
7/1/2025	\$20,000,000.00	\$ -	\$ 951,200.00	\$ 951,200.00	\$ -	\$20,000,000.00
7/1/2026	\$20,000,000.00	\$ -	\$ 928,000.00	\$ 928,000.00	\$ -	\$20,000,000.00
7/1/2027	\$20,000,000.00	\$ -	\$ 4,573,621.05	\$ 928,000.00	\$ 3,645,621.05	\$16,354,378.95
7/1/2028	\$16,354,378.95	\$ -	\$ 4,573,621.05	\$ 758,843.18	\$ 3,814,777.86	\$12,539,601.09
7/1/2029	\$12,539,601.09	\$ -	\$ 4,573,621.05	\$ 581,837.49	\$ 3,991,783.56	\$ 8,547,817.53
7/1/2030	\$ 8,547,817.53	\$ -	\$ 4,573,621.05	\$ 396,618.73	\$ 4,177,002.31	\$ 4,370,815.22
7/1/2031	\$ 4,370,815.22	\$ -	\$ 4,573,621.05	\$ 202,805.83	\$ 4,370,815.22	\$ 0.00
Total		\$20,000,000.00	\$24,747,305.23	\$4,747,305.23	\$20,000,000.00	

Sample Level Debt Service Schedule for 5-Year Amortization

Term: 5 Years
 Principal Amount (project costs): \$20,000,000
 Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply
 Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply
 Interest Calculation: 30/360 in arrears
 Final Maturity: July 1, 2029
 Annual Principal and Interest Payments: Level debt service payments on July 1, 2025; July 1, 2026; July 1, 2027; July 1, 2028; and July 1, 2029

Fixed 5-Year rate is: 4.71% (see index formula in the "Adjustment to Rate" section of the proposal)

5-Year Amortization Schedule

Aggregate average life (lending).....3.119 years
 Rate.....4.71000000%

Date	starting balance	takedowns	debt service	interest	principal	remaining balance
6/22/2024	\$ -	\$20,000,000.00	\$ -	\$ -	\$ -	\$20,000,000.00
7/1/2025	\$20,000,000.00	\$ -	\$ 4,587,679.32	\$ 965,550.00	\$ 3,622,129.32	\$16,377,870.68
7/1/2026	\$16,377,870.68	\$ -	\$ 4,587,679.32	\$ 771,397.71	\$ 3,816,281.61	\$12,561,589.07
7/1/2027	\$12,561,589.07	\$ -	\$ 4,587,679.32	\$ 591,650.85	\$ 3,996,028.47	\$ 8,565,560.60
7/1/2028	\$ 8,565,560.60	\$ -	\$ 4,587,679.32	\$ 403,437.90	\$ 4,184,241.41	\$ 4,381,319.18
7/1/2029	\$ 4,381,319.18	\$ -	\$ 4,587,679.32	\$ 206,360.13	\$ 4,381,319.18	\$ -
Total		\$20,000,000.00	\$22,938,396.59	\$2,938,396.59	\$20,000,000.00	

Sample Level Debt Service Schedule for 7-Year Amortization

Term: 7 Years
 Principal Amount (project costs): \$20,000,000
 Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply
 Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply
 Interest Calculation: 30/360 in arrears
 Final Maturity: July 1, 2031
 Annual Principal and Interest Payments: Level debt service payments on July 1, 2025; July 1, 2026; July 1, 2027; July 1, 2028; July 1, 2029, July 1, 2030; and July 1, 2031

Fixed 7-Year rate is: 4.64% (see index formula in the "Adjustment to Rate" section of the proposal)

7-Year Amortization Schedule

Aggregate average life (lending).....4.210 years
 Rate.....4.64000000%

Date	starting balance	takedowns	debt service	interest	principal	remaining balance
6/22/2024	\$ -	\$20,000,000.00	\$ -	\$ -	\$ -	\$20,000,000.00
7/1/2025	\$20,000,000.00	\$ -	\$ 3,415,220.71	\$ 951,200.00	\$ 2,464,020.71	\$17,535,979.29
7/1/2026	\$17,535,979.29	\$ -	\$ 3,415,220.71	\$ 813,669.44	\$ 2,601,551.27	\$14,934,428.01
7/1/2027	\$14,934,428.01	\$ -	\$ 3,415,220.71	\$ 692,957.46	\$ 2,722,263.25	\$12,212,164.76
7/1/2028	\$12,212,164.76	\$ -	\$ 3,415,220.71	\$ 566,644.44	\$ 2,848,576.27	\$ 9,363,588.49
7/1/2029	\$ 9,363,588.49	\$ -	\$ 3,415,220.71	\$ 434,470.51	\$ 2,980,750.21	\$ 6,382,838.28
7/1/2030	\$ 6,382,838.28	\$ -	\$ 3,415,220.71	\$ 296,163.70	\$ 3,119,057.02	\$ 3,263,781.26
7/1/2031	\$ 3,263,781.26	\$ -	\$ 3,415,220.71	\$ 151,439.45	\$ 3,263,781.26	\$ (0.00)
Total		\$20,000,000.00	\$23,906,545.00	\$3,906,545.00	\$20,000,000.00	

JPMorgan Chase Bank, N.A. Summary of Terms & Conditions

City of Providence, Rhode Island
Tax-Exempt, Non-Bank Qualified Tax-Exempt Lease Purchase
Summary of Terms and Conditions
April 10, 2024

J.P. Morgan is pleased to submit the following equipment financing proposal. This document is for discussion purposes only and is contingent upon the Lessee's compliance with the requirements of the Internal Revenue Code of 1986 ("Code"), as amended, and all applicable State laws related to Lessee's ability to enter into a tax-exempt lease-purchase financing for the intended purposes. The final terms and conditions are subject to credit approval and may be different from the terms and conditions outlined below.

TRANSACTION SUMMARY

Lessee:	City of Providence
Lessor:	JPMorgan Chase Bank, N.A. or any affiliate of JPMorgan Chase Bank, N.A., its successors and/or assigns ("JPMorgan Chase"/"Lessor"/ or "Bank").
Transaction:	Fixed-rate, fully amortizing, tax-exempt lease-purchase agreement ("Agreement").
Use of Proceeds:	To finance misc. equipment, the legal title of which will vest with Lessee during the term of the Agreement. All equipment proposed for financing will be subject to final review and acceptance by Lessor prior to closing and must amortize inline with its useful life.
Financing Amount:	\$20,000,000
Non-Bank Qualified:	This proposal assumes that Lessee will issue more than \$10 million in tax-exempt obligations this calendar year and that the Lessee will not designate this lease as a "qualified" tax-exempt obligation.
Commencement Date:	On or before June 22, 2024

TRANSACTION DETAILS

Financing Terms:	5 or 7 Years
Interest Rate:	5-year term (2 Years Interest Only): 4.71% 7-year term (2 Years Interest Only): 4.64% 5-year term: 4.71% 7-year term: 4.64%
Adjustment to Rate:	The Interest Rate and Payment quoted herein are based on current market rates as indicated by the 3 Year or 4 Year SOFR Interest Rate Swap ("Index Rate"), as of April 9, 2024. For every change in the Index Rate, an adjustment will be made to the Interest Rate and Payment in order to maintain Lessor's economics. The final Interest Rate and Payment will be agreed to prior to closing.

Rate Calculation: (IR Swap * 79%) + Spread = All-In Rate

3-Yr Swap = (4.397% * 79%) + 1.23637% = 4.71%

4-Yr Swap = (4.241% * 79%) + 1.28961% = 4.64%

Lessor reserves the right to adjust the pricing proposed in order to maintain Lessor's anticipated economic return as a result of material adverse change.

Prepayment: Option 1: The Financing may be prepaid without penalty, in whole but not in part, prior to maturity, on any payment date after the initial 12 months from Commencement, subject to 30 days prior written notice. Prepayment may be subject to a fixed rate / "make whole" break funding charge.

Option 2: 5 year Term

For an additional 14.5 bps added to the rates above, the Financing may be prepaid without penalty, in whole but not in part, prior to maturity, on any payment date after the initial 36 months from Commencement, subject to 30 days prior written notice. If Lessee prepays the financing prior to the 36th month from Commencement, the payment may be subject to a fixed rate / "make whole" break funding charge.

Option 3: 7 year Term

For an additional 18.5 bps added to the rates above, the Financing may be prepaid without penalty, in whole but not in part, prior to maturity, on any payment date after the initial 48 months from Commencement, subject to 30 days prior written notice. If Lessee prepays the financing prior to the 48th month from Commencement, the payment may be subject to a fixed rate / "make whole" break funding charge.

Disbursement of Proceeds: The transactions will be funded via an initial escrow deposit with a mutually agreed upon escrow agent, equal to the full Financing Amount from which disbursements will be made to vendors, or reimbursements to Lessee (in compliance with Treasury Reg. 1.150-2) as funds are required. Review of the terms and conditions of the escrow agreement also will be required. Lessor typically recommends Deutsche Bank and covers the one time setup fee, if a different escrow agent is used all fees will be for Lessee's account.

Security: Legal title of the equipment will immediately vest with the Lessee and Lessor shall be granted a first priority security interest and physical possession of any vehicle titles, as such, no \$1 buyout will be required.

Appropriation: This Agreement shall be subject to appropriation. The Agreement will require appropriation for payment for any and all equipment on a lease schedule. Appropriation for partial payment or for select assets within a schedule will not be permitted.

OTHER TERMS

Documentation: The terms of this financing will be evidenced by agreements, instruments and documents ("Lease Documents") usual and customary for a Tax-Exempt Lease Purchase. The Lease Documents must be acceptable to Lessor and its counsel. Lessor anticipates utilizing documents similar in form and content to those executed in 2020.

Lessor does not anticipate any documentation costs or other expenses.

Conditions Precedent: Usual and customary conditions to issuance of the financing including acceptable legal documentation which will include an opinion of counsel that the financing is valid, binding and enforceable. Additionally, documentation will provide that interest earned by the Lessor in this transaction will be excluded from gross income for federal tax purposes.

Representations and Warranties:	<p>Usual representations and warranties for like situated Lessees and the Facility's type and tenor, including, without limitation, absence of material adverse change, absence of material litigation, absence of default or potential default and continued accuracy of representations.</p> <p>Representations and warranties relating to Absence of Sovereign Immunity (or waiver of sovereign immunity, if applicable) will also be required for all governmental entities.</p>
Maintenance & Insurance:	<p>All maintenance and insurance are the responsibility of Lessee. Lessee shall bear all risk of loss or damage of the Equipment and will be responsible for keeping the Equipment insured with companies satisfactory to Lessor. Lessor, its parent and/or affiliates, its successors and assigns must be named as loss payee and additional insured as applicable, on all insurance policies. Evidence of such insurance must be satisfactory to Lessor.</p>
Waiver of Jury Trial:	<p>The Lessee and the Bank will waive, to the fullest extent permitted by applicable law, any right to have a jury participate in resolving any dispute in any way related to this term sheet, any related documentation or the transactions contemplated hereby or thereby.</p>
Anti-Corruption Laws and Sanctions:	<p>The documentation shall contain representations and warranties that the Lessee has implemented and maintains in effect policies and procedures designed to ensure compliance by the Lessee, its subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Lessee, its subsidiaries and their respective officers and employees and to the knowledge of the Lessee, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Lessee, any subsidiary or any of their respective directors, officers or employees, or (b) to the knowledge of the Lessee, any agent of the Lessee or any subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or credit facility, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.</p>
Waiver of Immunity:	<p>Lessee hereby expressly and irrevocably waives any immunity (including sovereign, crown or similar immunity) and any defenses based thereon from any suit, action or proceeding or from any legal process in any forum with respect to Lease.</p>
Governing Law:	<p>All aspects of the credit(s) being discussed including this Term Sheet and any Lease Documents would be governed by the laws of the State of Rhode Island.</p>
Proposal Expiration:	<p>This proposal will expire if acceptance does not occur by June 10, 2024 (unless extended in writing by Lessor).</p>
Confidentiality Statement:	<p>J.P. Morgan confirms that it will not use confidential information obtained from you by virtue of the potential transaction contemplated by this proposal or our other relationships with you in connection with the performance by J.P. Morgan of such services for other companies. You also acknowledge that J.P. Morgan will not use in connection with the potential transaction contemplated by this preliminary proposal, or furnish to you, confidential information obtained from other companies.</p> <p>Municipal Advisor Disclosures and Disclaimers: The Lessee acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Lessee and the Bank, (ii) in connection with such transaction, the Bank is acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Lessee, (iii) the Bank is relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank has not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Lessee</p>

with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the Lessee on other matters), (v) the Bank has financial and other interests that differ from those of the Borrower, and (vi) the Lessee has consulted with its own financial, legal, accounting, tax, and other advisors, as applicable, to the extent it deemed appropriate.



Municipal
Leasing
Consultants



T: 802.372.8435 F: 802.372.4775
powerofleasing.com
powerofenergyfinancing.com

April 10, 2024

Sara Silveria
Financial Director
City of Providence
25 Dorrance Street
Providence, RI 02903

Dear Sara,

Municipal Leasing Consultants, an independent woman-owned business, is pleased to present the following proposal to lease certain capital equipment pursuant to the following terms and conditions:

LESSOR: Municipal Leasing Consultants, its Agents or Assignee

LESSEE: City of Providence, RI

EQUIPMENT: Master Lease

EQUIPMENT COST: \$20,000,000.00 Approximately

PAYMENT STRUCTURES: **Option 1: Tax-Exempt Lease Purchase**
Five (5) Years – Annual Payments (interest only for first 2 years)
*See attached payment schedule

RATE: 5.01%

Option 2: Tax-Exempt Lease Purchase
Seven (7) Years – Annual Payments (interest only for first 2 years)
*See attached payment schedule

RATE: 5.02%

Option 3: Tax-Exempt Lease Purchase
Five (5) Years – Annual Payments
*See attached payment schedule

RATE: 5.01%

Option 4: Tax-Exempt Lease Purchase
Seven (7) Years – Annual Payments
*See attached payment schedule

RATE: 5.02%

Please initial and circle the desired option.

As part of the proposal process, we encourage you to contact us to discuss the intricacies of our proposal and your specific goals. There are many variations available to our proposed financing structure, which can be "fine tuned" as our dialog progresses.

The preceding costs are estimates and thus, the payment amount would be changed in proportion to the actual cost. The Vendor(s) will be paid upon the Lessee's authorization and the execution of mutually acceptable documentation.

THE ABOVE QUOTES ARE FIXED FROM **APRIL 10, 2024 TO MAY 10, 2024** IN ANTICIPATION OF **CLOSING / FUNDING** BY THIS DATE. THEREAFTER, THE RATE WILL FLOAT AND NOT BE LOCKED IN UNTIL DOCUMENTS ARE PREPARED FOR CLOSING AND WILL BE BASED ON THE LIKE TERM SWAP RATES.

EQUIPMENT ACCEPTANCE DATE:

This proposal is based on both the assumption and the condition that any and all equipment will be delivered to and accepted by Lessee prior to April 10, 2025.

OPTION AT LEASE EXPIRATION:

At the lease expiration, the Lessee shall have the right to purchase the equipment for One dollar (\$1.00), assuming the lease is not in default and all terms and conditions of the lease have been met.

NET LEASE:

This lease will be a net lease transaction with maintenance, acceptable insurance coverage, taxes, and any legal fees the responsibility of the Lessee.

LEASE AMORTIZATION SCHEDULE:

Amortization schedules with separate principal and interest cost breakdown will be provided with the final documentation.

WARRANTIES:

Lessor is bidding only as to the provision of lease purchase financing for the purchase cost of the equipment and will have no responsibility to the Lessee or any other person for the selection, furnishing, delivery, servicing or maintaining of the equipment. All equipment manufacturer or vendor warranties will be passed to the Lessee under the agreement.

NON-APPROPRIATION:

The lease payments shall be subject to annual appropriation for each fiscal year.

BANK OR NON-BANK QUALIFICATION:

Lessee reasonably anticipates the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2024, will exceed ten million (\$10,000,000.00) dollars.

FINANCIAL STATEMENTS:

If applicable, Lessee shall furnish Lessor with its financial statement for the last three (3) fiscal years and its current year fiscal budget.

AUTHORIZED SIGNORS:

The Lessee's governing board shall provide MLC with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute all necessary documents used therein.

LEGAL OPINION:

The Lessee's counsel shall furnish MLC with an opinion of counsel letter covering this transaction and the documents used herein.

REIMBURSEMENT:

If Lessee intends to be reimbursed for any equipment cost associated with this agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced and must qualify under the Treasury Regulation Section 1.150.2.

DOCUMENTATION:

All documentation will be provided by Lessor, its Agents or Assignee, and must be satisfactory to all parties concerned.

ESCROW FUNDING:

- *If applicable*, an interest-bearing escrow account will be established to make disbursements. The proceeds of the lease will be deposited into an Escrow Account at a cost of \$575.00.

We will need the following prior to disbursements from escrow:

1. Payment Request and Acceptance Certificate signed by authorized signer
2. Vendor Invoice with payment instructions (wire or check)
3. W-9 for Vendors
4. Vehicles – Front and Back of Certificate of Origin listing the bank as lien holder (This will be given to the customer and vendor after final credit approval.
5. Serial numbers for any attachments (plow, dump, sander, spreader, etc.)
6. Insurance Certificate – Listing the applicable property and liability coverage and listing the lease number, equipment and any serial numbers.

PREPAYMENT OPTION:

The Lessee will have the option to prepay on any payment date for 102% for the remaining balance.

BASIS OF PROPOSAL:

This proposal is based upon financing being provided by Lessor and should not be construed nor relied upon as a commitment. Such a commitment is subject to formal credit review, approval, and execution of mutually acceptable documentation. The contract, and not the proposal, will set forth the agreement between the parties.

We appreciate the opportunity to provide this proposal and look forward to working with you in the future. If the foregoing meets with the City’s approval, please date, and sign the acceptance below and return the signed proposal to the undersigned via email or fax to 802-372-4775 and subsequently remit payment of \$875.00 for the Documentation Fee. Failure to consummate this transaction once credit approval is granted will result in a \$875.00 fee being assessed to the City. Formal credit approval will be pursued upon receipt of the signed proposal and complete credit package. **Credit approval normally takes ten (10) to fourteen (14) business days.**

If you have any questions or need further information, please do not hesitate to contact me at 802-372-8435.

The foregoing is acknowledged and accepted as of the _____ day of _____, 2024.

City of Providence, RI

By: _____

Title: _____

Sincerely,
Reneé Piché

Reneé M. Piché
President



3 Huntington Quadrangle, #101N
Melville • NY • 11747

March 9, 2024

Lawrence J. Mancini
Chief Financial Officer
City of Providence, RI
25 Dorrance Street
Providence, RI 02903

RE: Tax-Exempt Master Lease Purchase Program – Addendum #1 & #2

Dear Mr. Mancini:

Santander Bank is pleased to submit the following proposal for your review and acceptance. Our proposed terms and conditions are as follows:

Company Overview: Santander Bank is a market leader in providing cost-effective financing to public entities nationwide. With over \$3 billion in financings, we have the knowledge, flexibility and financial strength that is unmatched in the finance industry.

Our public finance team of professionals has a thorough understanding of the municipal market to ensure transactions are completed quickly, efficiently and cost effectively.

Santander Bank was founded in Northern Spain in 1857, with over \$1.7 trillion in assets. Santander is one of the world's strongest, safest and most successful banks and has grown to become one of the five largest banks in the world by profit.

- | | |
|---------------------------|--|
| Structure: | Tax-exempt Lease/Purchase Financing ("Lease") |
| Borrower: | City of Providence, RI ("City") |
| Lender: | Santander Bank, N.A. ("Santander") |
| Amount Financed: | \$20,000,000 (Per Bid Specs but subject to Santander review and approval of the specific collateral) |
| Closing Date: | May 31, 2024 |
| Payment Option #1: | 62 months @ 4.76% - 5-year lease assuming two years of interest only with initial payments of interest on July 1, 2025, and July 1, 2026, followed by three annual payments of principal and interest in arrears on July 1, 2027, through a maturity date of July 1, 2029. |
| Payment Option #2: | 86 months @ 4.76% - 7-year lease assuming two years of interest only with initial payments of interest on July 1, 2025, and July 1, 2026, followed by five annual payments of principal and interest in arrears on July 1, 2027, through a maturity date of July 1, 2031. |

Financing Proposal
Santander Bank
April 9, 2024
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- Payment Option #3:** 62 months @ 4.76% - 5-year lease assuming the initial payment of principal and interest on July 1, 2025, followed by four annual payments of principal and interest in arrears on July 1, 2026, through a maturity date of July 1, 2029.
- Payment Option #4:** 86 months @ 4.76% - 7-year lease assuming the initial payment of principal and interest on July 1, 2025, followed by six annual payments of principal and interest in arrears on July 1, 2026, through a maturity date of July 1, 2031.
- Prepayment Terms:** On any payment date with no prepayment premium after the first anniversary of lease commencement.
- Escrow Agreement:** If required Santander will establish an Internal Escrow account for the City. In this case, there will be no fee assessed to the City for establishing the Internal Escrow account. All interest earnings shall be retained by Santander in consideration of managing the Internal Escrow account. The funds deposited into Escrow will be held for the benefit of the City and may be commingled by with other funds held by Lessor for its own account. Lessor will maintain segregation of such amounts on the books and records of Lessor.
- If the City requires a 3rd Party Escrow Account an alternate option is available where the proceeds from this financing will be deposited into an Escrow Agreement with a 3rd Party Bank. The escrow administration fee of \$2,500 will be charged for all new accounts opened. Interest earnings are subject to change based on market conditions.
- Credit Review:** Upon award by the City, Santander will complete the credit approval process after receiving a complete credit package which consists of the equipment list/vendor quotes and Lease Application.
- Tax Assumption:** Interest income received by Santander will be exempt from Federal and State Income Tax.
- Closing Costs and Fees:** The City will be responsible for any fees or expenses with respect to its (i) legal counsel and financial advisor fees, (ii) escrow fees, (iii) \$5,000 RI Public Finance Management Board Fee and (iv) permits, titles and registration fees, if applicable. Santander is willing to finance any of these expenses related to closing the transaction.

Financing Proposal
Santander Bank
April 9, 2024
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Documentation: Sample contract attached.

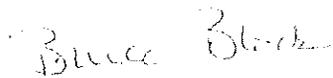
Titles: Title will be in the name of the City during the term of the lease. Santander will be listed as first lien holder on all title certificates.

Financial Statements: Attached

This proposal is subject to final credit approval and final documentation. Please feel free to call me at 631-531-0626 with any questions or further clarification.

Thank you for the opportunity to present this proposal.

Sincerely,



Bruce Block
Senior Vice President

Financing Proposal
 Santander Bank
 April 9, 2024
 Page 4 of 7

Amortization Schedule

Payment Option #1

Compound Period: Annual

Nominal Annual Rate: 4.760 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	05/31/2024	20,000,000.00	1		
2	Payment	07/01/2025	Interest Only	1		
3	Payment	07/01/2026	Interest Only	1		
4	Payment	07/01/2027	7,311,167.51	1		
5	Payment	07/01/2028	7,311,167.51	1		
6	Payment	07/01/2029	7,311,167.51	1		

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	05/31/2024				20,000,000.00
1	07/01/2025	1,037,879.92	1,037,879.92	0.00	20,000,000.00
2	07/01/2026	952,000.00	952,000.00	0.00	20,000,000.00
3	07/01/2027	7,311,167.51	952,000.00	6,359,167.51	13,640,832.49
4	07/01/2028	7,311,167.51	649,303.63	6,661,863.88	6,978,968.61
5	07/01/2029	7,311,167.51	332,198.90	6,978,968.61	0.00
Grand Totals		23,923,382.45	3,923,382.45	20,000,000.00	

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Financing Proposal
 Santander Bank
 April 9, 2024
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Payment Option #2

Compound Period: Annual

Nominal Annual Rate: 4.760 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	05/31/2024	20,000,000.00	1		
2	Payment	07/01/2025	Interest Only	1		
3	Payment	07/01/2026	Interest Only	1		
4	Payment	07/01/2027	4,588,891.33	1		
5	Payment	07/01/2028	4,588,891.33	1		
6	Payment	07/01/2029	4,588,891.33	1		
7	Payment	07/01/2030	4,588,891.33	1		
8	Payment	07/01/2031	4,588,891.33	1		

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	05/31/2024				20,000,000.00
1	07/01/2025	1,037,879.92	1,037,879.92	0.00	20,000,000.00
2	07/01/2026	952,000.00	952,000.00	0.00	20,000,000.00
3	07/01/2027	4,588,891.33	952,000.00	3,636,891.33	16,363,108.67
4	07/01/2028	4,588,891.33	778,883.97	3,810,007.36	12,553,101.31
5	07/01/2029	4,588,891.33	597,527.62	3,991,363.71	8,561,737.60
6	07/01/2030	4,588,891.33	407,538.71	4,181,352.62	4,380,384.98
7	07/01/2031	4,588,891.33	208,506.35	4,380,384.98	0.00
Grand Totals		24,934,336.57	4,934,336.57	20,000,000.00	

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Financing Proposal
 Santander Bank
 April 9, 2024
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Payment Option #3

Compound Period: Annual

Nominal Annual Rate: 4.760 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	05/31/2024	20,000,000.00	1		
2 Payment	07/01/2025	4,607,700.68	5	Annual	07/01/2029

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	05/31/2024				20,000,000.00
1	07/01/2025	4,607,700.68	1,037,879.92	3,569,820.76	16,430,179.24
2	07/01/2026	4,607,700.68	782,076.53	3,825,624.15	12,604,555.09
3	07/01/2027	4,607,700.68	599,976.82	4,007,723.86	8,596,831.23
4	07/01/2028	4,607,700.68	409,209.17	4,198,491.51	4,398,339.72
5	07/01/2029	4,607,700.68	209,360.96	4,398,339.72	0.00
Grand Totals		23,038,503.40	3,038,503.40	20,000,000.00	

Financing Proposal
 Santander Bank
 April 9, 2024
 Page 7 of 7

Payment Option #4

Compound Period: Annual

Nominal Annual Rate: 4.760 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1	Loan	05/31/2024	20,000,000.00	1	
2	Payment	07/01/2025	3,440,438.79	7 Annual	07/01/2031

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	05/31/2024				20,000,000.00
1	07/01/2025	3,440,438.79	1,037,879.92	2,402,558.87	17,597,441.13
2	07/01/2026	3,440,438.79	837,638.20	2,602,800.59	14,994,640.54
3	07/01/2027	3,440,438.79	713,744.89	2,726,693.90	12,267,946.64
4	07/01/2028	3,440,438.79	583,954.26	2,856,484.53	9,411,462.11
5	07/01/2029	3,440,438.79	447,985.60	2,992,453.19	6,419,008.92
6	07/01/2030	3,440,438.79	305,544.82	3,134,893.97	3,284,114.95
7	07/01/2031	3,440,438.79	156,323.84	3,284,114.95	0.00
Grand Totals		24,083,071.53	4,083,071.53	20,000,000.00	

ADDENDUM #1

CITY OF PROVIDENCE, RHODE ISLAND

**REQUEST FOR PROPOSALS ADDENDUM #1
March 28, 2024**

TAX-EXEMPT MASTER LEASE PURCHASE PROGRAM

The City of Providence (the "City") solicited proposals from qualified financial institutions for Tax-Exempt Master Lease Purchase services on January 29, 2024, with responses due on February 12, 2024.

The initial request was for \$10,000,000 to purchase various pieces of capital equipment in the City as outlined in Attachment A to this addendum. The City plans to settle the lease into an escrow account within 60 days of award by the City of Providence Board of Contract and Supply, which is expected to occur on April 22, 2024, therefore the City requests pricing levels be held firm through May 31, 2024. Due to the time that has passed between proposal submission and selection, we request that prospective bidders provide any revisions to terms from their original proposals. Please refer to the terms of the original RFP (included at the end of this document) other than the changes noted below to the section titled "Bid Proposal":

BID PROPOSAL

Interested offerors may submit proposals to provide services covered by this request on or before **April 10, 2024, at 2:00 PM**. Proposals received after this time and date will not be considered.

Questions may be directed to the City's Municipal Advisor, Matthew Blais at matthew.blais@hilltopsecurities.com

Revisions to proposals are due no later than 2:00 PM Local Time on April 10, 2024. Please email proposals to Matthew Blais of Hilltop Securities Inc. at matthew.blais@hilltopsecurities.com. All bid responses will be immediately noted, and the list of respondents will be emailed to:

- Lawrence J. Mancini, Chief Financial Officer
- Sara Silveria, Finance Director
- Krystle D. Lindberg, Deputy Finance Director and Budget Officer
- Shomari Husband, City Treasurer

ADDENDUM #2

CITY OF PROVIDENCE, RHODE ISLAND

REQUEST FOR PROPOSALS ADDENDUM #2

March 28, 2024

TAX-EXEMPT MASTER LEASE PURCHASE PROGRAM

The City of Providence (the “City”) solicited proposals from qualified financial institutions for Tax-Exempt Master Lease Purchase services on January 29, 2024, with responses due on February 12, 2024.

The City may require additional purchasing needs related to public safety equipment in the amount of \$10,000,000 as outlined in Attachment B to this addendum. The City requests that you provide terms for the additional purchases if different from the initial \$10,000,000 to purchase various capital equipment for the City. Please refer to the terms of the original RFP (included at the end of this document) other than the changes noted below to the sections titled “Specifications”, “Bid Proposal”, and the Sample Level Debt Service Schedules for 5- and 7-Year Amortizations:

SPECIFICATIONS

Notice of Request: The City seeks to secure a tax-exempt master lease purchase agreement for the acquisition of capital equipment. The commitment between the City and the successful bidder (the “Lessor”) is expected to continue for a period of one (1) year from the date of award and will be executed through a standardized leasing document. The City and the Lessor will enter into a Master Lease Purchase Agreement (the “Master Lease”). The City expects to acquire the equipment listed on Attachment A and Attachment B hereto, in the estimated amount of \$20,000,000. The City plans to settle the \$20,000,000 into an escrow account within 60 days of award by the City of Providence Board of Contract and Supply, which is expected to occur on April 22, 2024, therefore the City requests pricing levels be held firm through May 31, 2024. The City expects to draw on the first tranche of \$10,000,000 pertaining to the list of equipment in Attachment A between fiscal years ending June 30, 2024 and June 30, 2025. The second tranche of equipment listed on Attachment B, in the estimated amount of \$10,000,000 for public safety equipment will be drawn during the fiscal years ending June 30, 2026 and June 30, 2027. There is no limit to the draws on the escrow under the Master Agreement. If the City has further lease purchase needs over the lease term, the City will first approach the Lessor. To this end, the City sets forth the following specifications.

2. Leasing Rates: The firm selected will provide funding for the \$20,000,000 lease at a fixed rate that will be held firm so long as the lease settles within 60 days of award by the City of Providence Board of Contract and Supply. Please state the fixed rate for:
 - a) 5-year lease assuming two years of interest only with initial payments of interest on July 1, 2025, and July 1, 2026 followed by three annual payments of principal and interest in arrears on July 1, 2027 through a maturity date of July 1, 2029.

- b) 7-year lease assuming two years of interest only with initial payments of interest on July 1, 2025, and July 1, 2026 followed by five annual payments of principal and interest in arrears on July 1, 2027 through a maturity date of July 1, 2029.
- c) 5-year lease assuming the initial payment of principal and interest on July 1, 2025, followed by four annual payments of principal and interest in arrears on July 1, 2026 through a maturity date of July 1, 2029.
- d) 7-year lease assuming the initial payment of principal and interest on July 1, 2025, followed by six annual payments of principal and interest in arrears on July 1, 2026 through a maturity date of July 1, 2029.

The City reserves the right to select the appropriate amortization, either 5 years or 7 years, based upon the completion of its analysis of the equipment listed in Attachment A and Attachment B.

The City requests the option to prepay outstanding principal at the time of any lease payment (annual prepayment option). Any prepayment premium or penalty should be outlined in the proposal and included in the price of the annual prepayment option.

LEASE PAYMENTS WILL BE SUBJECT TO ANNUAL APPROPRIATION BY THE CITY COUNCIL.

- 6. **Exclusivity:** It is expected that the City will provide lease-purchase arrangements for the equipment listed in Attachment B during the fiscal-years ending June 30, 2026 and June 30, 2027. Such amounts are estimated only and do not bind the City to acquire any definite amount. The actual amounts will depend upon the City's ultimate requirements.
- 7. **Expenses:** Any fees or expenses of the Lessor are to be included within the All-In interest rate. All fees and expenses must be clearly identified with each proposal. Note that the City does not anticipate paying any closing costs or annual/ongoing fees. **At closing, the Lessor shall be responsible for paying the Rhode Island Public Finance Management Board Fee to the State (1/40 of 1% of the principal amount of the Lease) in the amount of \$5,000.**
- 16. **Term:** The City expects to acquire the equipment listed on Attachment A and Attachment B hereto, in the estimated amount of \$20,000,000. The City plans to settle the entire \$20,000,000 into an escrow account within 60 days of award by the City of Providence Board of Contract and Supply. There is no limit to the draws on the escrow under the Master Agreement. If the City has further lease purchase needs over the lease term, the City will first approach the Lessor.

BID PROPOSAL

Interested offerors may submit proposals to provide services covered by this request on or before **April 10, 2024, at 2:00 PM**. Proposals received after this time and date will not be considered.

PROPOSAL SUBMISSION: In addition to listing experience with Tax-Exempt Master Lease Agreements, please forward a current financial statement on your firm and provide sample debt service schedules based on the following examples:

Sample Level Debt Service Schedule for 5-Year Amortization (2-Years of Interest Only)

Term: 5 Years

Principal Amount (project costs): \$20,000,000

Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Interest Calculation: 30/360 in arrears

Final Maturity: July 1, 2029

Annual Principal and Interest Payments: Interest only payments on July 1, 2025; July 1, 2026; level principal and interest payments on July 1, 2027; July 1, 2028; and July 1, 2029

Fixed 5-Year rate is: _____.

Sample Level Debt Service Schedule for 7-Year Amortization (2-years of Interest Only)

Term: 7 Years

Principal Amount (project costs): \$20,000,000

Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Interest Calculation: 30/360 in arrears

Final Maturity: July 1, 2031

Annual Principal and Interest Payments: Interest only payments on July 1, 2025; July 1, 2026; level principal and interest payments on July 1, 2027; July 1, 2028; July 1, 2029; July 1, 2030; and July 1, 2031

Fixed 7-Year rate is _____.

Sample Level Debt Service Schedule for 5-Year Amortization

Term: 5 Years

Principal Amount (project costs): \$20,000,000

Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Interest Calculation: 30/360 in arrears

Final Maturity: July 1, 2029

Annual Principal and Interest Payments: Level debt service payments on July 1, 2025; July 1, 2026; July 1, 2027; July 1, 2028; and July 1, 2029

Fixed 5-Year rate is:_____.

Sample Level Debt Service Schedule for 7-Year Amortization

Term: 7 Years

Principal Amount (project costs): \$20,000,000

Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Interest Calculation: 30/360 in arrears

Final Maturity: July 1, 2031

Annual Principal and Interest Payments: Level debt service payments on July 1, 2025; July 1, 2026; July 1, 2027; July 1, 2028; July 1, 2029; July 1, 2030; and July 1, 2031

Fixed 7-Year rate is_____.

ATTACHMENT B

**LIST OF EQUIPMENT – TRANCHE B \$10,000,000
TO BE PROVIDED**

Equipment list will consist of the Tranche B \$10,000,000 for various pieces of equipment (Public Safety Equipment) to be provided on or prior to the date of award.

CITY OF PROVIDENCE, RHODE ISLAND

REQUEST FOR PROPOSALS

January 29, 2024

TAX-EXEMPT MASTER LEASE PURCHASE PROGRAM

The City of Providence (the "City") is soliciting proposals from qualified financial institutions for Tax-Exempt Master Lease Purchase services.

This is a Request for Proposals, not an Invitation to Bid. Responses will be evaluated on the basis of the relative merits of the proposal and the best interests of the City.

Questions may be directed to the City's Municipal Advisor, Matthew Blais at matthew.blais@hilltopsecurities.com

Proposals are due no later than 2:00 PM Local Time on February 12, 2024. Please email proposals to Matthew Blais of Hilltop Securities Inc. at matthew.blais@hilltopsecurities.com. All bid responses will be immediately noted, and the list of respondents will be emailed to:

- Lawrence J. Mancini, Chief Financial Officer
- Sara Silveria, Finance Director
- Krystle D. Lindberg, Deputy Finance Director and Budget Officer
- Shomari Husband, City Treasurer

**CITY OF PROVIDENCE, RHODE ISLAND
REQUEST FOR PROPOSALS
TAX-EXEMPT MASTER LEASE PURCHASE PROGRAM**

INTRODUCTION

The City of Providence (the "City") is seeking proposals from qualified financial institutions to provide tax-exempt lease purchase arrangements for capital equipment for the City and in accordance with the terms of this Request.

This is a Request for Proposals, not an Invitation to Bid: responses will be evaluated on the basis of the relative merits of the proposal, in addition to price. Further, the names of offerors who have submitted proposals will be made public.

INSTRUCTIONS AND NOTIFICATION TO OFFERORS:

- Potential offerors are advised to review all sections of this Request carefully and to follow instructions completely as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
- Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this Request may be rejected as being non-responsive.
- All costs associated with developing or submitting a proposal in response to this Request, or to provide oral or written clarification of its content, shall be borne by the offeror. The City assumes no responsibility for these costs.
- Proposals are considered to be irrevocable for a period of not less than sixty (60) days following the opening date, and may not be withdrawn, except with the express written permission of the Chief Financial Officer.
- All pricing submitted will be considered firm and fixed unless otherwise indicated herein.
- It is intended that an award pursuant to this Request will be made to a qualified financial institution, which will assume responsibility for all aspects of the lease purchase. Joint venture and cooperative proposals will not be considered, but subcontracts are permitted, provided that their use is clearly indicated in the offeror's proposal, and the subcontractor(s) proposed to be used are identified in the proposal.
- In accordance with Title 7, Chapter 1.1 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040).
- Proposers are advised that all materials submitted to the City for consideration in response to this Request will, upon receipt of the Proposals (for materials described in Section 37-2-18(d) of the General Laws of Rhode Island) and after an award (for other matters), be considered to be public records, as defined in Title 38, Chapter 2 of the Rhode Island General Laws.

SPECIFICATIONS

Notice of Request: The City seeks to secure a tax-exempt master lease purchase agreement for the acquisition of capital equipment. The commitment between the City and the successful bidder (the "Lessor") is expected to continue for a period of one (1) year from the date of award and will be executed through a standardized leasing document. The City and the Lessor will enter into a Master Lease Purchase Agreement (the "Master Lease"). The City expects to acquire the equipment listed on Attachment A hereto, in the estimated amount of \$10,000,000. The City plans to settle the entire \$10,000,000 into an escrow account within 60 days of award by the City of Providence Board of Contract and Supply. There is no limit to the draws on the escrow under the Master Agreement. If the City has further lease purchase needs over the lease term, the City will first approach the Lessor. To this end, the City sets forth the following specifications.

1. Leasing Documents: The lease documents to be used in the transactions will be standard tax-exempt lease documents. The final form is subject to negotiation prior to final acceptance and approval by the Lessee's attorney.
2. Leasing Rates: The firm selected will provide funding for the \$10,000,000 lease at a fixed rate that will be held firm so long as the lease settles within 60 days of award by the City of Providence Board of Contract and Supply. Please state the fixed rate for:
 - a. 5-year lease assuming the initial payment on July 1, 2025 followed by four annual payments of principal and interest in arrears on July 1, 2026 through a maturity date of July 1, 2029.
 - b. 7-year lease assuming the initial payment on July 1, 2025 followed by six annual payments of principal and interest in arrears on July 1, 2026 through a maturity date of July 1, 2031.

The City reserves the right to select the appropriate amortization, either 5 years or 7 years, based upon the completion of its analysis of the equipment listed in Appendix A.

The Lessee has the option to prepay outstanding principal under a takedown at the time of any lease payment (annual prepayment option). Any prepayment premium or penalty should be outlined in the proposal and included in the annual purchase price option.

LEASE PAYMENTS WILL BE SUBJECT TO ANNUAL APPROPRIATION BY THE CITY COUNCIL.

3. Lessor Compensation: Bidders are asked to include information on any escrow programs that they have available. All fees should be detailed along with who will be responsible for these fees. Fees should be embedded in the All In Cost fixed rate.
4. Lease Funds: If the City chooses to place funds in an interest-bearing escrow account, investment decisions will be the responsibility of the Finance Director, or her designee, with review and approval by the Lessor. Interest earnings will begin to accrue at the time of delivery of the funds to the City's account and will accrue to the benefit of the City.
5. Title: Title will be vested with the Lessor during the term of the lease. The Lessor will be listed as first lien holder on all title certificates.

6. Exclusivity: It is expected that the City will provide lease-purchase arrangements for the equipment listed in Attachment "A" during the fiscal-years ending June 30, 2024 and June 30, 2025, however, such amounts are estimated only and do not bind the City to acquire any definite amount. The actual amounts will depend upon the City's ultimate requirements.
7. Expenses: Any fees or expenses of the Lessor are to be included within the All-In interest rate. All fees and expenses must be clearly identified with each proposal. Note that the City does not anticipate paying any closing costs or annual/ongoing fees. **At closing, the Lessor shall be responsible for paying the Rhode Island Public Finance Management Board Fee to the State (1/40 of 1% of the principal amount of the Lease) in the amount of \$2,500.**
8. Equipment Procurement: The City will be responsible for developing specifications for equipment, conducting the bidding process, and inspecting and accepting the equipment. All equipment will be new.
9. Subject to Annual Appropriation: The City's obligations under the Master Lease will be subject to annual appropriation by the City Council. Neither the City's full faith and credit nor its taxing power will be pledged to the Master Lease nor will any obligation under the Master Lease constitute a general obligation debt of the City.
10. Net Lease: The Lessee will be responsible for all costs and expenses such as maintenance.
11. Bank Qualification: The City will not designate the Fiscal Year 2024 Funding as Bank Qualified.
12. Certificates of Participation: Publicly offered COPs will not be allowed.
13. Assignment. No assignment of any interest in a takedown is permitted without the City's prior written consent.
14. Conditions Precedent to Delivery: The following, among other things, are conditions precedent to the funding of each takedown.
 - No Litigation Certificate: Upon funding of each takedown, the City shall deliver, or cause to be delivered, a certificate of the City, dated the date of delivery, to the effect that there is no litigation pending or, to the knowledge of such officer, affecting the validity of the funding or the ability of the City to pay same.
 - Form 8038G/GC.
 - Tax/No-Arbitrage Certificate (if escrow funded).
15. Continuing Disclosures: The City will file the appropriate Notice of Incurrence of Financial Obligation as required by Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule") and will file any required future Notice resulting from a change to this financial obligation, but will not be responsible for providing ongoing annual disclosure in connection with this privately placed Master Lease.
16. Term: The City expects to acquire the equipment listed on Attachment A hereto, in the estimated amount of \$10,000,000. The City plans to settle the entire \$10,000,000 into an escrow account within 60 days of award by the City of Providence Board of Contract and Supply. There is no limit to the draws on the escrow under the Master Agreement. If the City has further lease purchase needs over the lease term, the City will first approach the Lessor.

17. Lowest Proposal: The City reserves the right to reject the lowest proposal. It may also reject any and all proposals.

QUALIFICATIONS

Vendors must document experience in working with municipalities on tax-exempt lease programs. Vendor proposal should include trustee services, if necessary, either as a Department of the vendor or by some other identified organization and all other fees and expenses such as legal fees, management fees and administrative fees must be included and clearly disclosed. Individuals responsible for working with the City should be identified in the proposal.

BID PROPOSAL

Interested offerors may submit proposals to provide services covered by this request on or before February 12, 2024, at 2:00 PM. Proposals received after this time and date will not be considered.

Vendor must guarantee an interest rate as described above that includes all vendor costs and fees. Interest rate must be held so long as the lease settles into escrow as described above.

SELECTION

Selection will be based upon the proposal, pricing guarantee, qualifications and experience of the vendor and quality of the proposal. All criteria will be weighed equally in the selection. The City may reject any and/or all proposals and the right to waive any informalities relating to the proposals if it is in the public interest to do so.

MISCELLANEOUS

TITLE: Title will remain with the Lessor throughout the term of the lease. Upon the last payment, title shall pass to the Lessee for a fee of one dollar (\$1.00). All titles will be mailed as a group with lien releases to the City of Providence, Attention: Finance Director.

NET LEASE/SUBJECT TO ANNUAL APPROPRIATION: The Lessee will be responsible for costs and expenses such as taxes, maintenance, and insurance.

PROPOSAL SUBMISSION: In addition to listing experience with Tax-Exempt Master Lease Agreements, please forward a current financial statement on your firm and provide sample debt service schedules based on the following examples:

Sample Level Debt Service Schedule for 5-Year Amortization

Term: 5 Years

Principal Amount (project costs): \$10,000,000

Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Interest Calculation: 30/360 in arrears

Final Maturity: July 1, 2029

Annual Principal and Interest Payments: Level Debt Service on July 1, 2025; July 1, 2026; July 1, 2027; July 1, 2028; and July 1, 2029

Fixed 5-Year rate is:_____.

Sample Level Debt Service Schedule for 7-Year Amortization

Term: 7 Years

Principal Amount (project costs): \$10,000,000

Dated Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Settlement Date: Within 60 days of award by the City of Providence Board of Contract and Supply

Interest Calculation: 30/360 in arrears

Final Maturity: July 1, 2031

Annual Principal and Interest Payments: Level Debt Service on July 1, 2025; July 1, 2026; July 1, 2027; July 1, 2028; July 1, 2029; July 1, 2030; and July 1, 2031

Fixed 7-Year rate is_____.

ATTACHMENT A

**LIST OF EQUIPMENT
TO BE PROVIDED**

Equipment list will consist of \$10,000,000 of various pieces of equipment (including but not limited to rolling stock) to be provided on or prior to the date of award.