



**Financing proposal for: City of Chula Vista, CA**

Communications System Financing Proposal

Motorola Solutions Credit Company LLC is pleased to submit the following proposal for the financing of your Motorola Communications P-25 solution in accordance with the terms and conditions outlined below:

**Transaction Type:** Municipal Lease-Purchase Agreement

**Lessor:** Motorola Solutions, Inc. (or its Assignee)

**Lessee:** **City of Chula Vista, CA**

**Amount:** \$1,435,270.00  
**Down Payment:** \$0.00  
**Balance to Finance:** \$1,435,270.00

**Equipment:** As per the Motorola equipment proposal.

**Title:** Title to the equipment will vest with the Lessee.

**Insurance:** Lessee will be responsible to insure the equipment as outlined in the lease contract.

**Taxes:** Personal property, sales, leasing, use, stamp, or other taxes are for the account of the Lessee.

**Option One**

**Lease Term:** Ten Years

**Payment Frequency:** Annual

**Payment Structure:** Arrears

**Lease Rate:** 3.23%

**Lease Factor:** 0.118611

**Lease Payment:** \$170,238.33

**Payment Commencement:** First payment due one year after contract execution.

**Expiration:** This interest rate methodology is valid for all leases commenced by 6/30/2016

**Indexing arrangement –Non bank qualified structure 10 year terms**

The Lease Payments shall be calculated using a rate of interest (“Lease Rate”) that is initial indexed to the ten year (10) average life Interest Rate Swap (the “Index Rate”) as reported on the Federal Reserve Statistical Release H.15 Report. The average life Interest Rate Swap corresponds to the respective lease term. The H.15 Report can be accessed at the Federal Reserve Bank website: [www.federalreserve.gov/releases/h15/](http://www.federalreserve.gov/releases/h15/). On the Commitment Date, the final Lease Rate will be calculated by taking the Index Rate for that date from the H.15 Report, plus a spread of 3.64% and multiplying the sum of those two numbers by .64 to calculate the Lease Rate for the 10 year term. The rates are then fixed for the full term of the Lease.

The following H.15 average life Index Rates were in place at the approximate time this quote was issued:  
10 year: 1.41%

**Qualifications:** Receipt of a properly executed documentation package.

Lessee qualifies as a political subdivision or agency of the State as defined in the Internal Revenue Code of 1986. The interest portion of the Lease Payments shall be excludable from the Lessor’s gross income pursuant to Section 103 of the Internal Revenue Code.

Receipt of a copy of the last years audited financial statements and current year’s budget from the Lessee.

This proposal should not be construed as a commitment to finance. It is subject to final Motorola credit committee approval. This quote is based on the general level of interest rates, primarily U.S. Treasury Bills of like term maturity. Any movement in those rates in excess of 10 basis points will result in the revision of this quote.

**Documentation:** Municipal Equipment Lease Purchase Agreement  
 Opinion of Counsel  
 Schedule A / Equipment List  
 Schedule B / Amortization Schedule  
 8038G  
 UCC-1  
 Certificate of Incumbency  
 Statement of Essential Use/Source of Funds  
 Evidence of Insurance or Statement of Self Insurance  
 Resolution from governing body authorizing the execution of the Lease

Please feel free to contact me if there are any questions or if an alternate structuring is required.

Regards,  
Bill Stancik  
Motorola Customer Financing  
847-538-4531