

AGENDA ITEM # 14May 12, 1998*

Consider amending minutes of April 7, 1998 agenda item #22 pertaining to financial package lease to read Bank One instead of Capital City Leasing as leasing agent.

Moved: Commissioner Hays

Seconded: Judge Doerfler

Motion: To amend minutes of April 7, 1998 agenda item #22 recorded in Volume 97 Page 208 pertaining to financial package lease to read **Bank One** instead of Capital City Leasing as leasing agent and note the timeliness in responding from both Capital City Leasing and Bank One.

Vote: Motion carried 5 - 0

< Clerk copy here >

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Tel 214 559 8031

Banc One Leasing
Corporation
TX1 3300
3300 Oak Lawn
4th Floor
Dallas TX 75219

#14



May 6, 1998

David Flores
County Auditor
Williamson County
710 Main Street, Suite 303
Georgetown, Texas 78626

RE: Tax-Exempt Lease Purchase Proposal

Dear David:

Banc One Leasing Corporation ("BOLC"), for itself, its successors, and assigns, is pleased to submit this tax-exempt lease purchase proposal to Williamson County for the acquisition of computer systems. Our proposal is as follows:

TRANSACTION:

Tax-exempt Lease Purchase Agreement with \$1.00 buy out option at end of lease term. Lease proceeds will be deposited into an escrow account and will be used to pay equipment vendors upon delivery and acceptance by Lessee. This proposal is based upon Lessee's compliance with the requirements of the Internal Revenue Code of 1986, as amended, related to Lessee's ability to finance the Equipment on a tax-exempt basis. The lease shall be a net lease, subject to annual appropriation. Lessee is responsible for all costs of operation, maintenance, risk of loss, insurance, and taxes. All financed equipment will be personal property.

LESSEE:

Williamson County

LESSOR:

Banc One Leasing Corporation or its assignee.

EQUIPMENT:

Computer hardware, software and related implementation costs to be determined.

EQUIPMENT COST:

\$1,000,000.00

TERM:

5 years

LEASE PAYMENT AMOUNT:

10 semi-annual principal and interest payments in arrears of \$114,220.39.

(Muniesc.wpd 3/30/98)

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LEASE RATE:

4.987%

PROPOSAL EXPIRATION:

This proposal must be accepted by May 25, 1998. If acceptance is received by this date, the quoted Lease Rate will remain fixed if funding takes place on or before June 6, 1998. If acceptance is not received by May 25, 1998, or funding does not take place by June 6, 1998, the Lease Rate and Lease Payment Amounts will be adjusted to market conditions and set one week prior to funding. Once set, the Lease Rate will remain fixed for the Lease Term.

This proposal and any commitment extended by BOLC will expire if funding does not take place by July 6, 1998, unless extended in writing by BOLC.

LEASE RATE ADJUSTMENT:

The proposed Lease Rate is based upon a yield of 5.67% for like term U.S. Treasury Notes. If rate adjustment is required, the Lease Rate will be adjusted, one week prior to funding, by adding or subtracting 65% of the change in Treasury Note yield, as reported in the Wall Street Journal, to the Lease Rate.

SMALL ISSUER EXEMPTION:

This proposal assumes that Lessee will issue less than \$10 million in tax-exempt obligations (excluding private activity bonds) this calendar year and that Lessee will designate this lease as a "qualified" tax-exempt obligation.

ESCROW FUNDING:

Lease proceeds will be deposited into an Escrow Account. Earnings on the escrow account shall be for benefit of Lessee. Deposited funds will be used to pay the equipment vendor(s) upon delivery and written acceptance of the equipment by Lessee. Prior to funding of each vendor, Lessee shall execute and deliver to BOLC a receipt certificate and invoices covering the equipment. The Escrow Agent, Escrow Agreement and permitted investments under the Escrow Agreement are subject to Lessor's review and approval, in Lessor's sole discretion.

BANC ONE ESCROW OPTION

Upon lease funding, Banc One Trust Company, NA will create and fund an escrow account for Lessee. Bank One Trust Company, as escrow agent for Lessee, will invest the escrow account, upon direction of Lessee and approval of Lessor, for the following fees:

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Acceptance Fee:	\$750**
Transaction Fee	\$25 per wire transfer**
	\$10 per check written**
Investment Fee	\$50/trade or transaction**

**** payable from interest earnings**

Bank One Trust Company, as escrow agent, offers through Banc One Investment Advisors various money market mutual funds that can be matched to your needs.

PREPAYMENT/OPTION TO PURCHASE: On any payment date, Lessee may prepay in full the entire principal balance of all Lease Schedules outstanding plus an additional sum of 2% of the unamortized principal balance at the time of such prepayment. No partial prepayment will be permitted. Lessee will have full title to the Equipment upon payment of all required lease payments.

MAINTENANCE AND INSURANCE: All maintenance, cost of operation and insurance are the responsibility of Lessee. Lessee shall keep the Equipment in good repair and operating condition. Lessee shall bear all risk of loss or damage to the Equipment and shall be responsible for keeping the Equipment insured with companies satisfactory to Lessor and for such amounts as required by Lessor. Lessee may self insure, with Lessor's approval, provided such self insurance is in accordance with an approved program maintained by Lessee for this purpose.

TITLE, SECURITY INTEREST: Legal title to the Equipment during the Lease Term shall vest in the Lessee. Lessee shall grant Lessor a first priority security interest in the Equipment.

DOCUMENTATION: Lease documentation shall be prepared by BOLC. In this regard, the lease agreement will be substantially in the form enclosed. Funding will occur upon receipt of all documentation required by BOLC, including an opinion of Lessee's counsel, in a form acceptable to BOLC, at BOLC's sole discretion.


This proposal is subject to credit approval by BOLC and approval of the lease documents in BOLC's sole discretion. To render a credit decision, Lessee shall provide BOLC with their most recent three years' audited financial statements, a copy of the current year's budget and requested demographic information.

(Muniesco.wpd 3/30/98)

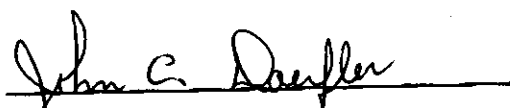
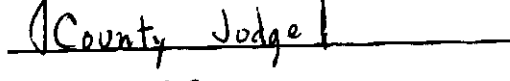
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Thank you for your interest in Banc One Leasing Corporation. If you have any questions feel free to contact me.

Sincerely,
Banc One Leasing Corporation


Steve Johnson
Vice President-Municipal Sales

ACCEPTED BY: Williamson County

By: 
Title: 
Date: 5-12-98

☐ (Check if BANC ONE escrow option to be utilized.)

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AMORTIZATION SCHEDULE
 ---- Aggregate Of Lending Loans ----

Lessor Banc One Leasing Corporation
 Prepared May-06-1998 17:17 by Steve Johnson
 Parameter filename Williamson County New
 Parameter path c:\ivory\prms\

date	Starting Balance	TakeDowns	Debt Service	Interest	Principal	Remaining Balance
May-25-98	0.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
Nov-25-98	1,000,000.00	0.00	114,220.39	24,935.00	89,285.39	910,714.61
		1,000,000.00	114,220.39	24,935.00	89,285.39	
May-25-99	910,714.61	0.00	114,220.39	22,708.67	91,511.72	819,202.89
Nov-25-99	819,202.89	0.00	114,220.39	20,426.82	93,793.57	725,409.32
		0.00	228,440.78	43,135.49	185,305.29	
May-25-00	725,409.32	0.00	114,220.39	18,088.08	96,132.31	629,277.02
Nov-25-00	629,277.02	0.00	114,220.39	15,691.02	98,529.37	530,747.65
		0.00	228,440.78	33,779.10	194,661.68	
May-25-01	530,747.65	0.00	114,220.39	13,234.19	100,986.20	429,761.45
Nov-25-01	429,761.45	0.00	114,220.39	10,716.10	103,504.29	326,257.16
		0.00	228,440.78	23,950.29	204,490.49	
May-25-02	326,257.16	0.00	114,220.39	8,135.22	106,085.17	220,171.99
Nov-25-02	220,171.99	0.00	114,220.39	5,489.99	108,730.40	111,441.59
		0.00	228,440.78	13,625.21	214,815.57	
May-25-03	111,441.59	0.00	114,220.39	2,778.80	111,441.59	0.00
		0.00	114,220.39	2,778.80	111,441.59	
TOTAL		1,000,000.00	1,142,203.90	142,203.90	1,000,000.00	

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AGENDA ITEM # 15

May 12, 1998

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Discuss and take appropriate action on method of payment for transportation study.

Moved: Commissioner Heiligenstein

Seconded: Commissioner Hays

Motion: To approve up to 70% of the cost from road bond proceeds and/or interest for payment of transportation study.

Vote: Motion carried 5 - 0