



**CISCO CAPITAL FINANCING OPTION**

February 5, 2014  
**\*\*Quote Expires: March 7, 2014**

**Buffalo-Hanover Montrose Schools MN**

**EQUIPMENT FINANCEOPTION:** The financing will be completed by Key Government Finance, Cisco Systems Capital's financing partner for government and education customers. Payments due under the financing will be made directly to Key Government Finance, Inc.

**LESSOR:** Key Government Finance, Inc.

**LESSEE:** **Buffalo-Hanover Montrose Schools MN**

**EQUIPMENT:** Cisco Systems Products

	<b>Project Summary w/ 3yr Maintenance</b>
Cisco HW/SW	\$ 305,631.60
Non-Cisco HW/SW	\$ 35,755.35
Cisco "Smartnet" Maintenance	\$ 42,414.00
Labor/Installation/Etc.	\$ 14,300.00
Shipping	\$ 300.00
<b>TOTAL AMOUNT TO BE FINANCED</b>	<b>\$ 398,400.95</b>

**FINANCING STRUCTURE:** This is a tax-exempt state and municipal government financing with the title to the equipment passing to lessee. This is a net financing under which Lessee pays all costs, including insurance, maintenance and taxes, for the term of the financing. At the end of the financing term the equipment can be purchased for \$1

Amount to be Financed	Interest Rate	Annual Payments	Payment Due Date	Payment Factor(*)	Pmts / Year	Term	Total Incentive Discount	NTT
\$398,400.95	0.00%	\$132,800.32	*5/15/2014	0.3333333	1	3 Years	\$ 17,389.31	3,449.36
		\$132,800.32	*5/15/2015					
		\$132,800.32	*5/15/2016					

*\*Assumes a lease/escrow funding on 2/15/2014  
 \*NTT program- \$0 payments, 0% interest for first 3 months*

*(\*) The payment factor expresses the payment as a percentage of the Equipment Cost. To calculate the periodic lease payment for any Equipment Cost, multiply the payment factor by the Equipment Cost.*

**RATEINDEX:** The interest rate provided above is based on current market rates as of the date of this proposal, and will be subject to change based on market conditions as of the time of closing. After closing the interest rate will be fixed for the term of the financing.

**APPROVAL:** The financing contemplated by this proposal is subject to the execution and delivery of all appropriate documents (in form satisfactory to Lessor), including without limitation, to the extent applicable, the Master Lease Agreement, any Schedule, financing statements, legal opinion or other documents or agreements reasonably required by Lessor. This proposal, until credit approved, serves as a quotation, not a commitment by Key Government Finance to provide credit. Final acceptance of this proposal is subject to credit, collateral and essential use review and approval by Lessor.

The interest rate quoted herein assumes that the interest component of the Payments is exempt from federal income tax. Lessor will provide a taxable financing proposal if it is determined that the financing will not qualify for tax-exempt interest rates.

**CONTACT:** Contact your financing representative with any questions:

Jim Pantazi- US State & Local Government Account Manager  
 Cisco Systems Capital  
 314-541-6870

John Miller- US State & Local Government Account Manager  
 Key Government Finance, a Cisco Systems Capital Partner  
 PH: 720-904-4345

[jpantazi@cisco.com](mailto:jpantazi@cisco.com)

[john.c.miller@key.com](mailto:john.c.miller@key.com)

**NOTES:** The rates provided above are based on a minimum funding amount of \$50,000. If total to be funded will be less than \$50,000 please contact us for a revised Proposal.

**Process for Completing a Cisco Capital/Key Government Finance Transaction**

Check  
When  
Complete

Item  
Number

**Client Action in BLUE**

**Cisco Capital/Key Government Finance Action in Red**

1 **Request Board to have Project Reviewed for Approval**

2 **Begin Review of Sample Contracts**  
(provided upon request by Cisco Capital)

3 **Client Completes Essential Use:**  
Fax Essential Use to:

Tab 2 on quote  
Becky Gee 216-370-59

4 **Client Provides Last 3 Years of Audited Financials**  
Online:

Provide URL to jason.m.hennings

Softcopy:

send to: Becky\_L\_Gee@keybank

Hardcopy:

Federal Express to:  
Key Government Finance  
1000 South McCaslin Blvd.  
Superior, CO 80027  
Phone: toll free: 888-307-62  
Fed Ex Acct. Number: 129905042

5 **Credit Review by Cisco Capital/Key Government Finance**  
(with essential use and financials)

Normal 2 business days/Yr end r

6 **Upon Satisfactory Completion of Credit Review**  
**A Formal Document Package is sent to the Client**

7 **Client reviews, approves, signs and returns formal document package to**  
**Cisco Capital/Key Government Finance (including Opinion of Counsel)**

8 **Cisco Capital/Key Government Finance funds Project into escrow and sends Purchase Order to Awardee**

9 Awardee orders assets and project begins

10 As milestones are completed, Project Manager sends disbursement form to Cisco Capital/Key Government Finance.

11 Cisco Capital/Key Government Finance wires payment to awardee

12 Client makes payments to Cisco Capital/Key Government Finance per the agreed schedule

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k.com

238 x 1110

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may be longer