



February 25, 2020

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RE: Private Placement not to exceed \$4,415,000 Truckee Meadows Fire Protection District, Nevada, Medium-Term General Obligation (Limited Tax) Bond, Series 2020A (the “Bond”)

JPMorgan Chase Bank, NA (the “Bank”) is pleased to submit this proposal for tax-exempt financing to Truckee Meadows Fire Protection District, Nevada (the “District”). This proposal is presented in the form of a non-binding “Term Sheet”, subject to final credit approval, negotiation and acceptance of all terms, conditions and documentation for the transaction. The letter signifies a commitment by the Bank to extend credit or purchase the Bond.

TYPE OF FINANCING:

The Bond will be issued by the District and privately placed with the Bank pursuant to the provisions of federal, state and local statutes and will be designated as “bank qualified” and tax-exempt. The Bank presently intends to hold the bond to final maturity. The Bank will not require either a rating for the bond or the purchase of bond insurance for repayment.

FORM OF BOND:

The Bank will require a single maturity bond with principal payments equivalent to the stated amortization schedule in Exhibit A to the District’s Request For Financing, and without DTC book-entry immobilization.

PAYING AGENT/REGISTRAR:

The Bank will not serve as Paying Agent or Registrar. The Bank will invoice for payment on the 15th business day in the month preceding the payment due date.

LEGAL OPINION:

Purchase of the Bond will be subject to the opinion of District’s bond counsel, who will deliver a legal opinion as to (i) validity and enforceability of the Bond under state law, and (ii) exemption of interest on the Bond from Federal income tax. Bond counsel approving opinion must be addressed to the Bank or permit reliance by the Bank.

USE OF PROCEEDS:

The proceeds of the Bond will be used by the District for the purpose of: (i) defraying, wholly, or in part, the cost of purchasing fire-fighting equipment, including fire engines and other vehicles, and improving District-owned property and (ii) paying costs of issuing the Bond (together, the “Project”).

PRINCIPAL AMOUNT:

Not to exceed \$4,415,000.

FINANCING TERM: Approximately 10 years with final maturity not later than March 1, 2030.

INTEREST RATE: The interest rate will be fixed; however, prior to acceptance; the interest rate may increase if the Bank's cost of funds increases. Bank's cost of funds may increase due to a number of factors including, but not limited to, changes in market conditions. Interest will be calculated on a 30/360 basis.

OPTION A: 1.50% fixed, bank qualified fixed rate, with no optional redemption.

OPTION B: 1.70% fixed, bank qualified fixed rate, with optional redemption at par in whole but not in part, on or after March 1, 2023.

DETERMINATION OF TAXABILITY: If the interest payable on the Bond becomes taxable due to any act or omission of the Issuer, the interest rate payable on the Bond will increase retroactively from the date on which interest on the Bond is first includable in gross income of the owner thereof (which may be as early as the issuance date) to a taxable equivalent rate, and pay the Bank penalties on overdue interest and additions to tax, if any.

REPAYMENT TERMS: Repayment will be structured as represented in the Request For Financing, Exhibit A Sample Amortization Schedule, with 10 annual principal payments on each March 1, commencing March 1, 2021 with a final maturity of March 1, 2030; and semi-annual payments of accrued interest on each March 1 and September 1, commencing September 1, 2020.

SECURITY: The Bond will constitute a direct and general obligation of the District, and the full faith and credit of the District is pledged for the payment of principal and interest, subject to Nevada constitutional and statutory limitations regarding the District's operating property levy and any legally available tax overrides. The property tax levy available to pay the Bond is limited to the District's maximum operating levy and legally available tax overrides. The District's operating levy is set each year as part of the budgeting process and is subject to approval by the Department of Taxation.

It is the District's intent to pay debt service on the Bond from resources within its General Fund. The District will be required to pay any shortfall from any legally available fund, including the District's General Fund. The Bond will be a debt of the District and the District shall repay the Bond from all legally available funds of the District. The District will covenant in the Resolution, to be adopted on February 18,

2020, that it will make sufficient provisions annually in its budget to pay principal of and interest on the Bond when due.

Nevada statutes provide that no act concerning the Bond or its security may be repealed, amended, or modified in such a manner as to impair adversely the Bond or its security until the Bond has been discharged in full or provision for its payment and redemption has been fully made. The Bond is not secured by a lien on revenues or any asset. The Bond is not subject to annual appropriation.

DOCUMENTATION:

Documentation shall be prepared by District's bond counsel, Sherman & Howard L.L.C. at the District's expense. This Proposal is subject to approval of the documentation by the Bank and its independent counsel in the Bank's sole discretion, including but not limited to, the form of Bond Resolution and form of Bond.

BANK COUNSEL:

Independent Bank counsel fees and costs not to exceed \$10,000 will be paid by the District at closing. The Bank will engage the firm of Kutak Rock LLP, Mr. Tim Nash.

MISCELLANEOUS:

The documents shall provide that Purchaser shall be entitled to a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the District and the officials thereof to observe and perform the contracts, covenants, obligations or conditions of the District.

MUNICIPAL DISCLOSURE:

The District acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the District and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are 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 District, (iii) the Bank and its affiliates are relying on the Bank exemption and the "request for proposals" exemptions in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District 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 District on other matters), (v) the Bank and its affiliates have financial and other interests that differ from

those of the District, and (vi) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate. The Bank and its affiliates acknowledge the engagement by the District of JNA Consulting Group, LLC as independent registered municipal advisor.

WEBSITE DISCLOSURE:

As a best practice to maintain transparency, final Bond documentation may be posted by the District on a national public bond market repository provided that certain information be redacted by the District as directed by the Bank. Items that should be redacted include signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information.

FINANCIAL REPORTING:

Unless otherwise available electronically on a public website, the District will be required to provide Bank with audited annual financial statements, prepared by an independent Certified Public Accountant, within 270 days of the close of its fiscal year.

EXPIRATION:

This Term Sheet must be accepted on or before the close of business February 25, 2020, and funded on or before March 10, 2020. If acceptance or funding has not occurred by the respective dates, the Bank may, at its option and in its sole discretion, terminate the Term Sheet and/or the Interest Rate may be adjusted.

MATERIAL CHANGE:

Any change (whether material or not) in the amount to be financed or a material change in the financial condition or prospects of the District may constitute a re-pricing event and Bank may, at its option and in its sole discretion, terminate this Term Sheet and/or the Interest Rate may be adjusted.

Submitted by:

JPMORGAN CHASE BANK, NA



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ACCEPTED BY: (for the) Truckee Meadows Fire Protection District, Nevada

Option: _____

By: _____

Name: _____

Title: _____

Date: _____