



**GOVERNMENT CAPITAL**  
**CORPORATION**

## **BUSINESS PROFILE**

With vast experience in investment banking and public finance, the staff at Government Capital Corporation provides financing for municipalities, school districts, counties, hospitals, and federal government entities. GCC has served more than 3,000 clients in both the public and private sectors. The products and services GCC that offers reflect our firm's commitment to providing a client with complete and professional financing services. The following represents a summary of the transactions and services provided in Municipal, Federal, Commercial and Industrial Markets.

### **Tax-Exempt Lease-Purchase Financing**

Essential purpose equipment for municipalities can be leased in a timely and cost-effective manner on a tax-exempt basis.

### **GC Energy Solutions Group**

GCES provides competitive financing solutions for energy related transactions in Municipal, Federal, Commercial, and Industrial Markets.

### **Real Estate/Capital Improvement**

Across the United States, GCC has provided timely closings for facility improvement, renovation projects, water and sewer, street improvements, and other essential capital projects.

### **Refunding**

GCC structures issues for the refinance of existing leases and/or loans at a lower cost, which allows clients to capture optimal windows of opportunity.

### **Taxable Municipal Agreement**

GCC provides transactions structuring, documentation, issuance, and sale.

### **GCC's Service Commitment**

GCC structures each issuance to meet the individual needs of each participant; prepares and executes all financial documents; provides current interest rate quotes and amortization schedules to assist in the budgetary process; restructures and/or refinances any current lease-purchase agreements; provides expertise in structuring escrow agreements for incremental disbursements.

## THE GCC ADVANTAGE

### **Experience**

With vast experience in the investment banking and public finance industry, the staff at Government Capital Corporation has provided financing for municipalities, school districts, counties, and other special districts nationwide with cost-effective financial solutions. With thousands of clients in 48 states, we have gained the essential experience to successfully close a wide range of transactions.

### **Competitive**

Government Capital Corporation provides one of the nation's most sophisticated and cost-effective placement networks. For more than a decade GCC has served the financial needs of tax-exempt issuers, as well as equipment suppliers and finance companies serving the public sector. Our team of professionals has successfully closed client transactions from rural American towns to the largest state university systems. All were accomplished with the most cost-effective methods available.

### **Flexible**

Government Capital Corporation assists in the structuring of each transaction and designs each transaction to meet the individual needs of each issuer. Options range from no down payment up to deferred payments.

### **Responsive**

Upon notification of the desire to arrange financing, funds can be available for disbursement in two to three weeks for equipment and 60 to 75 days for capital improvement projects.

### **Quality**

At Government Capital Corporation quality service has become a tradition. Throughout the structuring, execution, and servicing of each transaction our clients can expect assistance from knowledgeable professionals dedicated to providing the highest level of quality service in the industry.

## **ADVANTAGES TO LEASE-PURCHASE FINANCING**

### **No Bond Election Required**

Because of the annual appropriation feature, tax-exempt municipal financings are not counted against the municipality's debt limit, nor are they subject to normal debt incurrence procedures.

### **Flexible Terms**

Lease terms generally are matched to the useful life of the equipment to be financed. The flexibility of monthly, quarterly, semi-annual, or annual payments provide for easy budgeting.

### **Builds Equity**

A lease-purchase program permits the lessee to build equity with each payment. At the end of the lease term the lessee owns the equipment upon remittance of one dollar.

### **Avoids Inflation, Postpones Cost**

A lease-purchase obligation permits acquisition of needed equipment before prices rise.

### **Debt Limitation**

Lease-purchase financing does not affect debt limitation. Debt to fund balance ratios are very important in keeping a good rating, as well as staying within statutory requirements.

### **Quick Response**

Funds for equipment purchases can be made available in a matter of days after the municipality has completed the initial lease application form.

### **Emergency Purchase**

Most state laws allow a governing body to purchase equipment without going through the bid process whenever an emergency is declared. A lease-purchase program is very useful in an emergency purchase.

### **Pre-Payment Options**

Unlike general obligation bonds, our municipal lease-purchase agreement provides an option to purchase value at every payment date. This allows the issuer the most advantageous options for early prepayment of the transaction.

# PROGRAM HIGHLIGHTS

## Definitions

Lessee: Issuer  
Lessor: Government Capital Corporation

## Who May Lease

Cities, counties, states, and their political subdivisions, public schools, colleges, universities or other governmental entities qualifying under Section 103(a) of the Internal Revenue Code will qualify for financing under GCC's Lease Program.

## Type of Property

Most essential personal property will qualify.

## Lease Terms

Two to seven years. (In some cases, equipment can be financed for up to ten years.)

## Payment Mode

Choice of monthly, quarterly, semi-annual, or annual payments.

## Lease Documentation Process

GCC will be responsible for the administration of all lease documentation. GCC will begin the documentation process upon notification from a vendor or issuer of a confirmed transaction.

## Equipment Ownership

Legal ownership of the equipment will lie with the lessee, with GCC taking a security interest in the financed property. The lessee will own the equipment free and clear upon receipt of all lease payments due.

## Net Lease

The Lessee retains all responsibilities of equipment ownership including maintenance, insurance and all other responsibilities of ownership.



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## GENERAL REFERENCES

**Bowie Independent School District**

Rhonda Russell, Business Manager  
Bowie, TX  
940-872-3512

**Kanawha County Board of Education**

Harry Reustle, Treasurer  
Charleston, WV 25311  
304-348-6691

**Stafford Township Board of Education**

Enrico Siano, Board Secretary  
Manahawkin, NJ 08050  
609-978-5720

**Circle Unified School District No. 375**

Dr. Robert Albers, Superintendent  
Towanda, KS 67144  
316-541-2577

**Bradley County**

LaVerne Rice, County Judge  
Warren, AR 71671  
501-226-3853

**Nueces Emergency District No. 1**

Michael Clack, Fire Chief  
Corpus Christi, TX 78410  
361-241-1372

**Fort Vancouver Library District**

Pattie Duitman, Administrator  
Vancouver, WA 98663  
360-695-1561

**Muskogee Public Schools**

John Little, CFO  
Muskogee, OK 74401  
918-684-3700

**Hartford City Schools**

Julio Molleda, Finance Director  
Hartford, CT 06103  
860-695-8695

**City of Gridley**

Brad Wilkie, Finance Director  
Gridley, CA 95948  
530-846-5695

**Tri District Fire Protection**

Bob Anderson, Fire Chief  
Claremore, OK  
918-341-4233

**Military Department, State of LA**

Col. Lester Schmidt, Contracting  
New Orleans, LA 70146  
504-278-8256

**Denton Central Appraisal District**

Kathy Williams, Office Manager  
Denton, TX 76205  
940-349-3975

**City of Denton**

Tom Shaw, Purchasing Director  
Denton, TX 76201  
940-349-71700

## **SELL MORE EQUIPMENT TO STATE AND LOCAL GOVERNMENTS**

Municipal leasing offered through GCC has become the “deal closer” which many vendors are seeking. As the economy continues to reduce the tax base of state and local government, the cost of quality equipment and service is on the rise. Rather than delaying a sale until budgeted funds are available, municipal leasing represents a simple and effective way for local governments to acquire needed equipment while maintaining budget control.

### **How Can Financing Help The Equipment Vendor?**

Financing represents one of the best ways you can present your product in terms of affordability. Instead of talking purchase price, financing lets you speak in terms of something much more affordable – deferred payments. It is a fact that the more affordable you can make your product, the more of it you will sell.

### **Faster Closes**

Financing eliminates the biggest obstacles to closing a sale--your customer’s lack of funds.

### **Competitive Edge**

A lot of companies sell equipment. However, financing may be the one item that sets you apart from competition.

### **Deferred Payments**

GCC can allow closure of a sale now. The customer can delay payments for up to one year. GCC is flexible. If you have a situation requiring special attention, call us. We’re known for coming up with workable solutions to special problems.

### **More Than Just Equipment Financing**

GCC will finance more than just equipment. We realize that many products require shipping, installation and other related “non-equipment” costs which can add to the total cost of the order.

### **Sales Training**

At your request, GCC can conduct workshops designed to assist your sales force in the understanding and use of this effective technique to close more transactions. Many sales professionals at GCC have vast experience in selling a variety of product to state and local government markets. Through insights gained from this experience, together with our financial expertise, GCC has conducted top grade sales workshops across the country designed to generate more public sector sales.

## DEFERRING PAYMENTS

Some customers avoid municipal lease-purchase agreements due to the administrative costs associated with processing monthly invoices. Occasionally a customer may be contemplating an equipment acquisition, but may feel compelled to defer the purchase and/or lease-purchase until payments can be included in the annual budget. Recognizing these difficulties, we have developed a program that allows our customers to receive their equipment now, while beginning an annual payment schedule three to nine months from the delivery date.

The Deferred Payment Program is a win-win situation. The benefits include: low interest rates, reduced administrative costs realized through the processing of one payment per year, instead of twelve, immediate equipment use at today's prices, and deferral of the payment rather than the sale.

The Deferred Payment Program is designed to benefit virtually all of our municipal clients. We make no distinction between rated and/or non-rated issuers. Due to the reduced processing costs inherent in annual payment schedules, we are able to arrange this financing without any additional fees.

### Deferred Payment Program Outline

Term	One to ten years
Financed Amount	\$10,000 minimum
Payment Frequency	Annual
Payment Startup	Up to 3 to 9 months after acceptance
Credit Approval	Immediate, in most cases
Type of Property	Most new/used essential equipment
Documentation	GCC preparation/execution

This low-cost program is just another example of the innovative solutions that Government Capital Corporation is known for . . . . innovative solutions that can be to your advantage!

Call us for the program that will best suit your needs. We offer solutions, not excuses!

# LEASE-PURCHASE PROGRAM PROCEDURE

## Lease Pricing

Contact a Government Capital Corporation representative to obtain a proposal.

Provide GCC representative with as much information as possible.

For example:

- Equipment Cost
- Issuer Name
- Equipment Expected Delivery Date
- Desired Financing Term(s)

## Lease Documentation

GCC will document the financing arrangement upon notification of project award.

GCC will orchestrate the Lease for the life of the agreement.

## Vendor Payment

Vendor Payment will be arranged on a deal-by-deal basis