



Public Finance

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What Can Be Leased?

A lease purchase may be arranged for a wide variety of essential equipment and property, including:

- Energy improvements
- Cars, trucks, buses and vans
- Construction equipment
- Field lighting
- Food service equipment
- Science and lab equipment
- Computers
- Telephone and radio communication systems
- Office furnishings and equipment
- Gym and playground equipment
- Bleachers and riser systems
- Stage and theater equipment
- Modular or portable classrooms
- Band and orchestra instruments and equipment.

Comprehensive Financial Solutions

Wells Fargo & Company is dedicated to providing comprehensive financial products and services for institutions, including:

- Institutional brokerage
- Investment banking
- Treasury management solutions
- Real estate financing
- Capital management
- Retirement and custody services.

A Wells Fargo Public Finance investment banker can provide seamless access to the professionals who provide these financial solutions. Call today to find out how Wells Fargo can more completely serve your institution's financial needs.

Wells Fargo Public Finance (WFPF) bankers are registered representatives of Wells Fargo Brokerage Services, LLC or Wells Fargo Institutional Securities, LLC, brokerage affiliates of Wells Fargo & Company and members of the NASD and SIPC.

MSBA LEASE PURCHASE PROGRAM



Investments: • NOT FDIC insured
• May lose value • No bank guarantee



What is the Minnesota School Board Association Lease Purchase Program?

Wells Fargo Public Finance works with the Minnesota School Board Association to provide Minnesota public school districts access to tax-exempt, fixed-rate financing.

What is a lease purchase?

A lease purchase is a proven alternative to traditional loans, bonds and internal funding. It is essentially a form of installment loan; however, as non-referendum debt, state statute requires that the lease purchase be an “annual appropriation” contract. Technically, a lease purchase commits the district to lease payments for only one year at a time. Therefore, by definition, a lease purchase is not counted as long-term debt.

What's the cost?

The cost of a lease purchase is generally competitive with bond financing, when all issuance costs and fees involved in a bond issue are considered. Program pricing expresses the lease rate as simple interest and includes all legal costs. There are no closing costs, placement or trustee fees or other miscellaneous charges.

How is the interest rate calculated?

The borrower's specific interest rate depends on the term of the contract and is calculated using a formula established for this program. The formula provides uniform rates, regardless of the size of the district. Once the borrower and Public Finance have committed to the transaction, the interest rate is fixed for up to 30 days, which is usually enough time for documentation to be completed. Arrangements can be made to pre-fund a transaction when a longer delivery or installation period is necessary.

The Wells Fargo Advantage

Public Finance can design a lease purchase transaction to suit your school district's needs. This type of debt is more flexible than a bond issue and far easier and timelier to accomplish, with minimal effort by school district staff. This program gives borrowers greater ability to match lease arrangements to specific needs and cash flow requirements.

Wells Fargo Public Finance offers friendly, fast and professional service. You tell us what you need and we'll work with you, your budget and your timetable

An Attractive Alternative

Lease financing works in the school district's favor. The benefits include:

- Attractive tax-exempt rates
- Precise, quantifiable cost of borrowing
- Three- to fifteen-year maturities
- Straightforward, user-friendly documentation
- \$1 purchase option
- Level payments on a fixed-rate basis
- Flexible payment terms; customized payments
- No down payment
- Cash reserves remain intact
- Avoid time-consuming bond issues (no referendum required)
- Acquire property quickly and conveniently
- No added pressure on debt limits
- Financing options are expanded without complex budget restructuring
- Retain the benefits of ownership
- Spread the cost of the property over its useful life.

For more information, contact a Wells Fargo Public Finance investment banker.

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