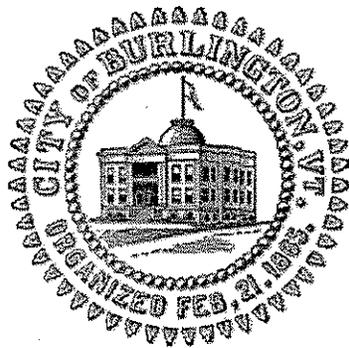




Carlyle Capital Markets Inc.

Date: February 16, 2012

CITY OF BURLINGTON, VERMONT



**RFP For Capital Lease Financing for
City of Burlington**

**Due Date: Friday, February 17, 2012
by 2:00 pm ET**

Contact:

**Barry L. Friedman
President
Carlyle Capital Markets Inc.
14755 Preston Road, Suite 510
Dallas, Texas 75254
972-404-8686
barry@ccmi-dallas.com**

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B. Professional Experience

This section should contain all pertinent information relating to the Respondent's organization and experience that would substantiate its qualifications and capabilities to satisfy the requirements of the RFP. Proposals should provide a straightforward, concise description of the Respondent's company, certifications, licenses, and experience with municipal capital lease agreements.

CARLYLE CAPITAL MARKETS

Carlyle Capital Markets Inc. ("CCMI"), formed in 1982, was the first firm to provide financing for municipal appropriation debt utilizing capital leases for city, county, state, local governments and the Federal Government as well. The Bond Buyers Municipal Market Places' Redbook has a new lessor section for municipal leasing. CCMI is one of only seven firms listed.

California Proposition 13, which was passed in 1978, capped the amount the State could tax on real property. Because of this restraint on tax revenues, municipalities needed a new way to finance equipment purchases. Carlyle Capital Markets Inc., was formed, in part, to help alleviate the financing constraints resulting from Proposition 13. CCMI's primary specialization is in the area of municipal leasing and project financing for municipal entities. For further information, please visit www.carlylecapitalmarkets.com.

Friedman, Luzzatto, & Co. ("FLCO"), CCMI's affiliate broker/dealer is a women-owned business (WBE), and a FINRA registered broker dealer, established in 1986 to provide financial advisory services or underwriting for taxable and tax-exempt municipal debt obligations. FLCO has provided financial advisory or underwriting services including serving as senior/co-manager, placement agent or selling group member, for more than \$15 billion in transactions. Municipal transactions that use appropriation and revenue-supported debt are areas of specialty within the firm. These transactions involve lease revenue bonds as well as lease revenue certificates of participation; both publicly offered and privately placed.

REEVES COUNTY, TEXAS

Financings with Reeves County, Texas (the "County") involved appropriated debt supported by revenues under a contract with the Federal Bureau of Prisons (the "Bureau"). CCMI has structured more than \$170 million in financings since the first phase of the County's Prison was constructed in 1986. Under the terms of the contract with the Bureau, the County receives revenue on a per-inmate (per-day) basis. Since the inception of the relationship, the Facility has grown from 200 beds to 3,700 beds in a county of 12,000 residents. The Facility has become one of the largest county-owned prison facilities to have the GEO Group manage without operating or owning the Facility. The GEO Group is one of the largest private prison management companies in the world. The county owns the facility and the employees of the facility are county employees. This is a very unique management contract with a private prison company. Normally, a management company would operate, own and manage the facility.

In December of 2008, and January of 2009, inmate disturbances caused damage to part of the Facility. The first disturbance resulted in \$2.5 million worth of damages and the second disturbance resulted in partial shutdown of operations for a part of the complex. Both disturbances created a loss of 430 beds for the complex. In coping with the damages, CCMI assisted the County with negotiations, handling business interruption claims, casualty claims, and intergovernmental agency relations between the Bureau, County officials, and the Facility's management. CCMI's assistance helped the facility maintain a 1.7/1 Debt Service Coverage Ratio for 2009 as well as a stable rating throughout the entire process.

public municipal bond market, such issues being backed by the State's strong credit rating. Historically, such Certificates have been sold and issued by series in transactions which ranged from \$5 million to \$10 million on a quarterly basis. Three to five syndicate members, consisting of both national and regional broker/dealer firms typically bid on each series of Certificates. FLCO and CCMI have been involved in more than \$341 million of Certificates that have been financed under the Program. From 1994 to 2006, CCMI provided lessor services for 43 issues under the Program; including 22 issues for State Agencies, 16 issues for Institutions of Higher Learning, 4 issues for school districts, and 1 issue for Community and Junior Colleges. Since the inception of the program, CCMI and FLCO have structured, underwritten, or provided financial advisory services on over \$700 million under the program.

This section should also include the resume of the lead professional staff person who will be assigned to this transaction, and two concise but descriptive summaries of this person's prior experience with representative lease financing transactions.

Barry L. Friedman

Phone: 972.404.8686

Fax: 972.404.1231

Email: barry@ccmi-dallas.com

Barry Friedman is the President and Chief Executive Officer of Carlyle Capital Markets Inc. ("CCMI"). Mr. Friedman has extensive experience in the financial advisory and underwriting fields, encompassing public markets, investment banking and municipal finance. Established in 1982, CCMI is the oldest corporate lessor in the municipal leasing market providing municipal lease-purchase and installment sales financings for the procurement of both personal and real property acquisitions to governmental entities nationwide, including cities, counties, states, school districts, universities, and special purpose corporations. CCMI has been involved in the financing of energy related projects for over 20 years, beginning with the financing of energy management programs and energy efficiency equipment and progressing to a specialty today in providing financial consulting services for alternative energy development projects, ranging from wind and solar to biomass and biofuel projects.

Mr. Friedman also co-founded Friedman, Luzzatto & CO. ("FLCO") in 1986, and serves as the company's President. FLCO is a registered broker-dealer that provides underwriting and financial advisory services to governmental entities nationwide, including cities, counties, states, school districts, universities and special purpose corporations. The company specializes in providing financial advice and underwriting services for complex issues that are either asset-backed or revenue supported. FLCO provides underwriting services for transactions in which CCMI serves as corporate lessor.

Mr. Friedman is licensed by the Financial Industry Regulatory Authority ("FINRA") as a Municipal Securities Representative (Series 52), Municipal Securities Principal (Series 53) and a Uniform Securities Agent (Series 63). Mr. Friedman serves as President of Friedman, Luzzatto & Co. He received his undergraduate degree in 1973 from the University of Missouri, following preparatory education at the Hotchkiss School in Lakeville, Connecticut.

C. Documents Required to Execute the Financing

Respondents are required to submit their proposals with copies of all documentation required to execute financing. This includes, but is not limited to, all standard lease documents, equipment schedules, escrow agreement, proof of insurance, municipal guarantees, upfront payment requirements, and any security deposit requirements.

If awarded the transaction, CCMI will provide the City with documents required to execute the financing within 48 hours.

Also, each Respondent must indicate any specific covenants or security features that will be required to obtain a financing commitment.

Please see Terms and Conditions in Section F.

E. Investor Representation Letter

To: City of Burlington, Vermont

Ladies and Gentlemen:

The undersigned (the "Lessor") intends to enter into a Capital Lease Agreement dated as of _____, 2012 (the "Lease") with City of Burlington, Vermont (the "Lessee"), to finance various capital purchases (the "Fixed Assets") for several City Departments. The Lessor will advance funds under the Lease. All payments by the City under the Lease are subject to annual appropriation by the City Board of Supervisors of the Lessor.

The Lessor hereby agrees that its investment under the Lease shall constitute an affirmation, with respect to its investment under such Lease, of the following representations, upon which you may rely:

1. The Lessor understands that no official statement, prospectus, offering circular, private placement memorandum or other offering statement containing material information with respect to the Lease is being furnished and that the Lessor is responsible for making its own inquiry and analysis, exercising due diligence with respect to the Lessee, the Lease, the security therefore and other material factors affecting the security for and payment of the Lease.
2. The Lessor acknowledges that it has had the opportunity to obtain such information and materials as the Lessor believes to be necessary to evaluate the merits and risks of its investment in the Lease. In making its investment decision, the Lessor has relied solely upon its independent investigation and had the opportunity to ask questions and receive answers concerning the Lessee, the Lease, and the security therefore.
3. The Lessor has knowledge and experience in the financial and business matters that make it capable of evaluating the merits and risks of its investment in the Lease. The Lessor acknowledges that no market may exist for resale of the Lease. The Lessor is able to bear the economic risks of such investment for an indefinite period of time.
4. The Lessor acknowledges that it is an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended.
5. The Lessor recognizes that in this transaction, the Lessor assumes responsibility for obtaining complete and accurate information needed to make its proposal, and for making such investigation as it deems necessary or desirable in connection with its decision to make its investment under the Lease.
6. The Lessor understands that the Lease will carry no rating from any rating service and, pursuant to exemptions therefrom, are not being registered under the Securities Act of 1933 as amended, and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state. The Lessor acknowledges that the Lease may be resold in the future only in compliance with applicable federal and state securities laws.

F. Terms and Conditions

Carlyle Capital Markets Inc., as the Lessor ("CCMI") is willing to negotiate any of the following with the City of Burlington, Vermont (the "Lessee"):

1. Counsel for Lessee will prepare and deliver its written opinion to CCMI that, among other things, (i) Lessee is a political subdivision of the State of Vermont (ii) the execution of the Equipment Lease/Purchase Agreement (the "Agreement") has been duly authorized, approved, executed and delivered by and on behalf of the Lessee; and (iii) the Agreement and any security interest in the equipment granted under the agreement is a valid and binding contract of the Lessee.
2. CCMI requests the right to arrange for the Trustee to execute and deliver, pursuant to the Trust Agreement, **privately-placed** Certificates of Participation (the "Certificates"), in order to make available the moneys required to accomplish the financing. The Certificates will evidence the investors' right to receive proportionate interests in the Lease Payments. The Certificates will be offered in minimum denominations of \$100,000 to a limited number of sophisticated investors. The Certificates will be placed through Friedman, Luzzatto & Co., CCMI's affiliated FINRA registered municipal broker-dealer.

CCMI will structure the financing in accordance with the public finance criteria published by Standard & Poor's. CCMI will obtain a bankruptcy opinion to the effect that, as a result of the assignment to the trustee, a potential bankruptcy of CCMI will not cause the Agreement and the Rental Payments to be property of its estate.

3. The Lessee agrees to provide such equipment descriptions including a full description of the essentiality of the equipment and such demographic information as CCMI may reasonably request.
4. CCMI reserves the right to seek private placement ratings in connection with the Agreement. Any expense for such rating will be paid by CCMI.
5. CCMI requests that the first Purchase Option Date be no earlier than three years subsequent from the date of the Agreement. If the Lessee elects to prepay all its obligations under the Agreement prior to the first Purchase Option Date, the Lessee will have the ability to defease its payment obligations to the first Purchase Option Date. CCMI also requests that the Lessee provide forty-five (45) days written notice to CCMI. In the event that the Lessee exercises its option to prepay and/or defease.
6. The rate in this proposal will be valid until March 27, 2012. After March 27, 2012 the rate will be indexed to a spread of 129 basis points over the matching term "BAA" Municipal Market Data ("MMD") scale as published daily by Thomson Financial.
7. CCMI will deposit funds at closing to pay all costs of the projects into an escrow account (the "Escrow Account"). Funds deposited to the Escrow Account will be invested in eligible investments allowed under the Lessee's investment policy or guidelines, and all investment earnings derived from the investment of the Escrow Account will inure to the benefit of the Lessee and may be utilized by the Lessee in accordance with its written directions. The Lessee may request, from time to time, payments to vendors by submitting a disbursement request to CCMI. CCMI will coordinate with the Lessee and the escrow agent regarding vendor payments. Upon receipt of a properly completed disbursement request, the escrow agent will pay each vendor according to the Lessee's instructions. The costs for the Trustee to serve as escrow agent for the term of the Agreement are included in the quoted APR. The costs for the Trustee are included in the quoted APR. Generally, the Trustee also serves as

City of Burlington, VT
 12.0022
 02/16/12

Lease Amount	\$4,616,455.00	Dated Date	3/27/2012
APR	3.7693%	First Payment	9/27/2012
Payment	\$510,837.52	Final Payment	3/27/2017
Average Life	33.92	Frequency	Semi-Annual

AMORTIZATION SCHEDULE

\$5,108,375.20 \$4,616,455.01 \$491,920.19

Date	Payment #	Payment	Principal	Interest	Purchase Option Price
9/27/2012	1	510,837.52	423,832.79	87,004.73	NA
3/27/2013	2	510,837.52	431,820.62	79,016.90	NA
9/27/2013	3	510,837.52	439,958.99	70,878.53	NA
3/27/2014	4	510,837.52	448,250.75	62,586.77	NA
9/27/2014	5	510,837.52	456,698.77	54,138.75	NA
3/27/2015	6	510,837.52	465,306.02	45,531.50	NA
9/27/2015	7	510,837.52	474,075.48	36,762.04	1,455,340.63
3/27/2016	8	510,837.52	483,010.22	27,827.30	962,787.00
9/27/2016	9	510,837.52	492,113.34	18,724.18	464,045.27
3/27/2017	10	510,837.52	501,388.03	9,449.49	NA



Lease Summary

We are pleased to confirm the following Financing Proposal by **CITY OF BURLINGTON, VERMONT** pursuant to the terms and conditions outlined herein:

LESSEE: CITY OF BURLINGTON, VERMONT

LESSOR: Jules and Associates, Inc.

EQUIPMENT: Sidewalk Tractor, Plowtruck, Service Truck, Sludge Tanker, Etc.

TOTAL AMOUNT: \$1,152,798.00

TRANSACTION TYPE: Capital Lease

TERM: 60 Months (Semi-Annual Payments)

TRANSACTION #1 (Bank Qualified)

MONTHLY PAYMENT: \$125,509.32
LEASE RATE FACTOR: .108874
END OF TERM OPTIONS: \$1.00 Purchase Option

TRANSACTION #2 (Non Bank Qualified)

MONTHLY PAYMENT: \$126,925.74
LEASE RATE FACTOR: .110102
END OF TERM OPTIONS: \$1.00 Purchase Option

LOCATION: Burlington, VT

INSURANCE: Coverage naming Lessor as loss payee and additional insured for fire, theft and extended coverage.

DOCUMENTATION: Jules and Associates, Inc. standard documents are contemplated. Final terms and conditions are subject to the Lease Agreement between Lessee and Lessor, and all addenda, amendments and related documents thereto, as may be amended by the proposed transaction, all of which shall prevail. The Lessee hereby authorizes Jules and Associates, Inc. to file financing statements in advance of funding in any jurisdiction where permitted by law describing the collateral as set forth on this proposal along with all proceeds (as such term is defined in Article 9 of the Uniform Commercial Code) thereof, including insurance proceeds, and debtor's books and records relating thereto.



Lease Summary

We are pleased to confirm the following Financing Proposal by **CITY OF BURLINGTON, VERMONT** pursuant to the terms and conditions outlined herein:

LESSEE: CITY OF BURLINGTON, VERMONT
LESSOR: Jules and Associates, Inc.
EQUIPMENT: Boiler Air Handler Replacement Project
TOTAL AMOUNT: \$1,259,365.00
TRANSACTION TYPE: Capital Lease
TERM: 60 Months (Semi-Annual Payments)

TRANSACTION #1 (Bank Qualified)

MONTHLY PAYMENT: \$137,111.66
LEASE RATE FACTOR: .108874
END OF TERM OPTIONS: \$1.00 Purchase Option

TRANSACTION #2 (Non Bank Qualified)

MONTHLY PAYMENT: \$138,659.02
LEASE RATE FACTOR: .110102
END OF TERM OPTIONS: \$1.00 Purchase Option

LOCATION: Burlington, VT

INSURANCE: Coverage naming Lessor as loss payee and additional insured for fire, theft and extended coverage.

DOCUMENTATION: Jules and Associates, Inc. standard documents are contemplated. Final terms and conditions are subject to the Lease Agreement between Lessee and Lessor, and all addenda, amendments and related documents thereto, as may be amended by the proposed transaction, all of which shall prevail. The Lessee hereby authorizes Jules and Associates, Inc. to file financing statements in advance of funding in any jurisdiction where permitted by law describing the collateral as set forth on this proposal along with all proceeds (as such term is defined in Article 9 of the Uniform Commercial Code) thereof, including insurance proceeds, and debtor's books and records relating thereto.



Lease Summary

We are pleased to confirm the following Financing Proposal by **CITY OF BURLINGTON, VERMONT** pursuant to the terms and conditions outlined herein:

LESSEE: CITY OF BURLINGTON, VERMONT

LESSOR: Jules and Associates, Inc.

EQUIPMENT: Concrete Encased Duct Bank, Lumec Light Fixtures, Etc.

TOTAL AMOUNT: \$2,166,455.00

TRANSACTION TYPE: Capital Lease

TERM: 60 Months (Semi-Annual Payments)

TRANSACTION #1 (Bank Qualified)

MONTHLY PAYMENT: \$235,869.92

LEASE RATE FACTOR: .108874

END OF TERM OPTIONS: \$1.00 Purchase Option

TRANSACTION #2 (Non Bank Qualified)

MONTHLY PAYMENT: \$238,531.81

LEASE RATE FACTOR: .110102

END OF TERM OPTIONS: \$1.00 Purchase Option

LOCATION: Burlington, VT

INSURANCE: Coverage naming Lessor as loss payee and additional insured for fire, theft and extended coverage.

DOCUMENTATION: Jules and Associates, Inc. standard documents are contemplated. Final terms and conditions are subject to the Lease Agreement between Lessee and Lessor, and all addenda, amendments and related documents thereto, as may be amended by the proposed transaction, all of which shall prevail. The Lessee hereby authorizes Jules and Associates, Inc. to file financing statements in advance of funding in any jurisdiction where permitted by law describing the collateral as set forth on this proposal along with all proceeds (as such term is defined in Article 9 of the Uniform Commercial Code) thereof, including insurance proceeds, and debtor's books and records relating thereto.