



Privatized Development for the Town of Wolfeboro

October 17, 2011

Mr. David W. Owen  
Town Manager  
Town of Wolfeboro  
P.O. Box 629  
Wolfeboro, NH 03894

Dear Mr. Owen:

PFIC is pleased to present our proposal for the privatized development and tax-exempt financing of your proposed town hall renovation. PFIC is a nationwide developer that specializes in the privatized development, redevelopment and tax-exempt financing of municipal facilities for cities, counties and states. To date, we have completed over 200 public and private projects in 96 cities in 36 states. The following are the basic terms of our proposal:

**Project:** The renovation of the Wolfeboro Town Hall.

**Lessee:** Town of Wolfeboro

**Developer:** Public Facilities Investment Corporation.

**Design:** Newport Collaborative Architects.

**Construction:** We can work with Conneston Construction, Inc. or we can present independent contractors who have extensive experience in renovating similar facilities.

**Lease Term:** Up to 30 years. Title to project reverts to the Lessee for \$1.00 at the end of lease term and/or payoff of financing.

**Development & Financing Terms for \$4 million project cost (complete renovation):**

**Interest Rates:** 15-Year Lease Term = 3.82%  
(as of October 17, 2011) 20-Year Lease Term = 4.36%  
25-Year Lease Term = 4.45%  
30-Year Lease Term = 4.61%

**Average Annual  
Lease Payments:**  
*(as of October 17, 2011)*

15-Year Lease Term =	\$429,516
20-Year Lease Term =	\$362,076
25-Year Lease Term =	\$316,433
30-Year Lease Term =	\$291,745

**Total  
Project Cost:**

Construction Cost:	\$4,000,000
Developer Fee:	\$200,000
Program Management:	\$100,000
Cost of Issuance:	\$150,000
Underwriter's Discount:	\$23,119
<b>Project Cost:</b>	<b>\$4,473,119</b>
Debt Service Reserve*:	\$324,225
Construction Interest:	\$195,232
<b>Total Financing Amount:</b>	<b>\$4,992,576</b>

\*If the Debt Service Reserve is not used during the lease term, these funds can be used for the final lease payment.

**Construction  
Interest:**

12 months.

**Debt Service Reserve:**

Equal to maximum annual debt service.

**Amortization:**

Level Debt Service.

**Prepayment:**

Prepayment options are included.

**Development & Financing Terms for \$2.8 million project cost (first floor renovation):**

**Interest Rates:**  
*(as of October 17, 2011)*

15-Year Lease Term =	3.83%
20-Year Lease Term =	4.36%
25-Year Lease Term =	4.46%
30-Year Lease Term =	4.61%

**Average Annual  
Lease Payments:**  
*(as of October 17, 2011)*

15-Year Lease Term =	\$320,734
20-Year Lease Term =	\$270,778
25-Year Lease Term =	\$236,668
30-Year Lease Term =	\$217,756

**Total**

**Project Cost:**

Construction Cost:	\$2,800,000
Program Management:	\$150,000
Cost of Issuance:	\$150,000
Underwriter's Discount:	\$17,288
<b>Project Cost:</b>	<b>\$3,117,288</b>

Debt Service Reserve*:	\$241,906
Construction Interest:	\$146,028
<b>Total Financing Amount:</b>	<b>\$3,505,222</b>

\*If the Debt Service Reserve is not used during the lease term, these funds can be used for the final lease payment.

**Construction**

**Interest:**

12 months.

**Debt Service Reserve:**

Equal to maximum annual debt service.

**Amortization:**

Level Debt Service.

**Prepayment:**

Prepayment options are included.

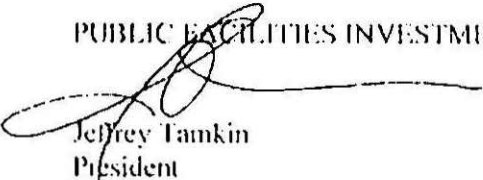
All fees and expenses of professionals (including architectural, legal, engineering, and environmental), construction interest, cost of construction, site work, cost of issuance, development, consultant and program management fees, and all costs for the project will be included in the total financing package.

This proposal is non-binding and subject & conditioned upon final plans, project cost, market conditions, and executed written agreements between the parties.

We look forward to hearing your comments and making these important projects a reality.

With kindest regards,

PUBLIC FACILITIES INVESTMENT CORPORATION



Jeffrey Tamkin  
President