



Municipal Leasing Consultants
7 Old Town Lane
Grand Isle, VT 05458-2325
Tel (802) 372-8435
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www.PowerOfLeasing.com

May 24, 2013

Mr. Joe Colangelo
Town Administrator
Town of Hinesburg
10632 Route 116
Hinesburg, VT 05461

Via: jcolangelo@hinesburg.org

Dear Mr. Colangelo:

Municipal Leasing Consultants, an independent woman-owned business, is pleased to present the following proposal to lease certain capital equipment pursuant to the following terms and conditions:

LESSOR: Municipal Leasing Consultants, its Agents or Assignee

LESSEE: Town of Hinesburg, VT

EQUIPMENT: 1 Heavy Duty Truck/plow

EQUIPMENT COST: \$212,130.00

PAYMENT STRUCTURES: **Tax-Exempt Lease Purchase**
Seven (7) Years – Annual in Arrears
Seven (7) Annual Payments
First payment of \$30,000.00 due July 15, 2014 followed by Six (6) payments of \$34,950.20 due annually thereafter
See Amortization Schedule

RATE: **3.10%**

As part of the proposal process, we encourage you to contact us to discuss the intricacies of our proposal and your specific goals. There are many variations available to our proposed financing structure, which can be "fine tuned" as our dialog progresses.

The preceding costs are estimates and thus, the payment amount would be changed in proportion to the actual cost. The Vendor(s) will be paid upon the Lessee's authorization and the execution of mutually acceptable documentation.

THE ABOVE QUOTES ARE FIXED FROM MAY 24, 2013 TO JUNE 24, 2013 IN ANTICIPATION OF **CLOSING/FUNDING** BY THIS DATE. THEREAFTER, THE RATE WILL FLOAT AND NOT BE LOCKED IN UNTIL DOCUMENTS ARE PREPARED FOR CLOSING AND WILL BE BASED ON THE LIKE TERM SWAP RATES.

EQUIPMENT ACCEPTANCE DATE:

This proposal is based upon both the assumption and the condition that any and all equipment will be delivered to and accepted by Lessee prior to May 24, 2014.

OPTION AT LEASE EXPIRATION:

At the lease expiration, the Lessee shall have the right to purchase the equipment for One dollar (\$1.00), assuming the lease is not in default and all terms and conditions of the lease have been met.

NET LEASE:

This lease will be a net lease transaction with maintenance, acceptable insurance coverage, taxes and any legal fees the responsibility of the Lessee.

LEASE AMORTIZATION SCHEDULE:

Amortization schedules with separate principal and interest cost breakdown will be provided with the final documentation.

WARRANTIES:

Lessor is bidding only as to the provision of lease purchase financing for the purchase cost of the equipment and will have no responsibility to the Lessee or any other person for the selection, furnishing, delivery, servicing or maintaining of the equipment. All equipment manufacturer or vendor warranties will be passed to the Lessee under the agreement.

NON-APPROPRIATION:

The lease payments shall be subject to annual appropriation for each fiscal year.

BANK OR NON-BANK QUALIFICATION:

Lessee reasonably anticipates the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2013 **will not** exceed ten million (\$10,000,000.00) dollars.

FINANCIAL STATEMENTS:

If applicable, Lessee shall furnish Lessor with its financial statement for the last three (3) fiscal years and its current year fiscal budget.

AUTHORIZED SIGNORS:

The Lessee's governing board shall provide MLC with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute all necessary documents used therein.

LEGAL OPINION:

The Lessee's counsel will need to furnish MLC with an opinion covering this transaction and the documents used herein.

REIMBURSEMENT:

If Lessee intends to be reimbursed for any equipment cost associated with this agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under the Treasury Regulation Section 1.150.2.

DOCUMENTATION:

All documentation will be provided by Lessor, its Agents or Assignee, and must be satisfactory to all parties concerned.

ESCROW FUNDING:

If applicable, an interest bearing escrow account will be established to make disbursements. The proceeds of the Lease will be deposited into an Escrow Account. This account has a \$250.00 - \$500.00 fee and can be taken from the interest earnings. Interest earnings will accrue to the benefit of the Lessee. The interest rate on the temporary investment is estimated to be +/- .20%.

PREPAYMENT OPTION:

The Lessee will have the option to prepay on any payment date for 100% of the remaining balance.

BASIS OF PROPOSAL:

This proposal is based upon financing being provided by Lessor and should not be construed nor relied upon as a commitment. Such a commitment is subject to formal credit review, approval and execution of mutually acceptable documentation. The contract, and not the proposal, will set forth the agreement between the parties.

We appreciate the opportunity to provide this proposal and look forward to working with you in the future. If the foregoing meets with the Town's approval, please date and sign the acceptance below and return the signed proposal to the undersigned via email or fax to 802.372.4775 and subsequently remit payment of \$550.00 for the Documentation Fee. Failure to consummate this transaction once credit approval is granted will result in a \$550.00 fee being assessed to the Town. Formal credit approval will be pursued upon receipt of the signed proposal, financials, and vendor quote or invoice. Credit approval normally takes 10 to 14 business days.

If you have any questions or would like further information, please do not hesitate to contact me at 802.372.8435.

The foregoing is acknowledged and accepted as of the ____ day of _____, 2013.

Town of Hinesburg, VT

By: _____

Title: _____

Sincerely,

Joe Longo

Joe Longo
Vice President
Joe.Longo@powerofleasing.com

Attachment: Amortization Schedule

MLC Proposal-7 Year-Annual in Arrears
Town of Hinesburg
Truck/Plow

Compound Period: Annual

Nominal Annual Rate: 3.100 %
Effective Annual Rate ...: 3.100 %
Periodic Rate: 3.1000 %
Daily Rate: 0.00849 %

CASH FLOW DATA

Event	Start Date	Amount	Number	Period	End Date
1 Loan	07/15/2013	212,130.00	1		
2 Payment	07/15/2014	30,000.00	1		
3 Payment	07/15/2015	34,950.20	6	Annual	07/15/2020

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 07/15/2013				212,130.00
2013 Totals	0.00	0.00	0.00	
1 07/15/2014	30,000.00	6,576.03	23,423.97	188,706.03
2014 Totals	30,000.00	6,576.03	23,423.97	
2 07/15/2015	34,950.20	5,849.89	29,100.31	159,605.72
2015 Totals	34,950.20	5,849.89	29,100.31	
3 07/15/2016	34,950.20	4,947.78	30,002.42	129,603.30
2016 Totals	34,950.20	4,947.78	30,002.42	
4 07/15/2017	34,950.20	4,017.70	30,932.50	98,670.80
2017 Totals	34,950.20	4,017.70	30,932.50	
5 07/15/2018	34,950.20	3,058.79	31,891.41	66,779.39
2018 Totals	34,950.20	3,058.79	31,891.41	
6 07/15/2019	34,950.20	2,070.16	32,880.04	33,899.35
2019 Totals	34,950.20	2,070.16	32,880.04	
7 07/15/2020	34,950.20	1,050.85	33,899.35	0.00
2020 Totals	34,950.20	1,050.85	33,899.35	
Grand Totals	239,701.20	27,571.20	212,130.00	