



October 30, 2018

City of Morehead

**Re: Municipal Lease/Purchase Financing Proposal**

Dear Sir or Madam:

Lease Servicing Center, Inc. dba National Cooperative Leasing ("NCL") is pleased to propose to the City of Morehead the following tax-exempt Lease/purchase transaction as outlined below. Under this transaction, the City of Morehead would enter into a municipal Lease/purchase agreement with NCL for the purpose of acquiring a International HV 4X2 Cab and Chassis. This transaction is subject to formal review and approval by both the Lessor and Lessee.

**LESSEE:** City of Morehead

**LESSOR:** Lease Servicing Center, Inc. dba National Cooperative Leasing & it's assigns

**EQUIPMENT:** International HV 4X2 Cab and Chassis

**EQUIPMENT COST:** \$105,650.00

**DOWN-PAYMENT:** \$0

**AMOUNT FINANCED:** \$105,650.00

**TERM:** 3 Years

**ANNUAL LEASE PAYMENTS:** \$37,600.83 6.32%

**QUARTERLY LEASE PAYMENTS:** \$9,541.46 5.62%

**FIRST PAYMENT DUE:** 1 Month from Lease Commencement

**PURCHASE OPTION:** \$1.00

**PRICING:** The Rates and Payments outlined above are locked, provided this proposal is accepted by the Lessee by October 31, 2018 and the transaction closes/funds prior to December 01, 2018. After these days, the final Rate and Payments shall be adjusted commensurately with market rates in effect at the time of funding and shall be fixed for the entire lease term.

**DOCUMENTATION FEE:** \$250 paid to Lessor at closing

**DOCUMENTATION:**

Lessor shall provide all of the documentation necessary to close this transaction. This documentation shall be governed by the laws of the State of lessee.

**TITLE / INSURANCE:**

Lessee shall retain title to the equipment during the lease term. Lessor shall be granted a perfected security interest in the equipment and the Lessee shall keep the equipment free from any/all liens or encumbrances during the term. Lessee shall provide adequate loss and liability insurance coverage, naming Lessor as additional insured and loss-payee.

**TAX STATUS:**

Interest under the Financing will be tax-exempt and shall be designated by Lessee as a Qualified Tax Exempt Obligation pursuant to Section 265(b)(3) of the IRS Code.

**SOURCEWELL CONTRACT:  
#032615-NCL**

NCL has been competitively bid and awarded a contract through Sourcwell (Formerly NJPA).  
**NCL's Sourcwell Contract # is 032615-NCL.**

We appreciate this opportunity to offer an NCL Financing Solution. Please do not hesitate to contact me if you have any questions at (866) 763-7600. Acceptance of this proposal is required prior to credit underwriting by NCL. Upon acceptance of this proposal, please scan and e-mail to my attention. Thank you again.

Sincerely,

Jake Ost -(866) 763-7600

[jost@lscfinancial.com](mailto:jost@lscfinancial.com)

**ACCEPTANCE**

As a duly authorized agent of the City of Morehead , I hereby accept the terms of this proposal as outlined above and intend to close this financing with NCL, subject to final approval.

ACCEPTED: \_\_\_\_\_ DATE: \_\_\_\_\_  
NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_  
PHONE: \_\_\_\_\_

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