MLC Municipal Leasing Consultants

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December 18, 2023 Revised

Daniel Rosner
School Business Administrator
Thornton School District
47 Old Ward Bridge Road
Plymouth, NH 03264

Dear Daniel,

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:** | Thornton School District, NH |
| **EQUIPMENT:** | Energy Performance Contract |
| **EQUIPMENT COST:** | \$4,416,848.00 - \$350,000.00 (ESSER grant) - \$59,700.00 (Utility rebate) = Financing \$4,007,148.00 approximate |
| **PAYMENT STRUCTURES:** | **Option 1: Tax-Exempt Lease Purchase**<br>**Fifteen (15) Years – Annual Payments**<br>Fifteen (15) Annual Payments of \$400,542.12<br>First payment of \$400,542.12 due one year from closing and Annual thereafter<br>(i.e., \$4,007,148.00 x .099957 = \$400,542.12) |
| **RATE:** | **5.55%** |
| | **Option 2: Tax-Exempt Lease Purchase**<br>**Twenty (20) Years – Annual Payments**<br>Twenty (20) Annual Payments of \$337,823.70<br>First payment of \$337,823.70 due one year from closing and Annual thereafter<br>(i.e., \$4,007,148.00 x .084305 = \$337,823.70) |
| **RATE:** | **5.59%** |

*Please <u>initial</u> and <u>circle</u> the desired option.*

*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 DEC**EMBER 18, 2023 TO JANUARY 18, 2024** 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 on both the assumption and the condition that any and all equipment will be delivered to and accepted by Lessee prior to December 18, 2024.

**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 2023, 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:**
*If applicable*, The Lessee's counsel shall furnish MLC with an opinion of counsel letter 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 Escrow account will be established to make disbursements at a cost of $550.

**We will need the following prior to disbursements from escrow:**

1. Payment Request and Acceptance Certificate signed by authorized signer
2. Vendor Invoice with payment instructions (wire or check)
3. W-9 for Vendor
4. Insurance Certificate – Listing the applicable property and liability coverage and listing the lease number, equipment and any serial numbers.

**PREPAYMENT OPTION:**
The Lessee will have the option to prepay on any payment date for 102% 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 District'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 $850.00 for the Documentation Fee. Failure to consummate this transaction once credit approval is granted will result in a $850.00 fee being assessed to the District. Formal credit approval will be pursued upon receipt of the signed proposal and complete credit package. **Credit approval normally takes ten (10) to fourteen (14) business days.**

If you have any questions or need further information, please do not hesitate to contact me at 802-372-8435.

The foregoing is acknowledged and accepted as of the 4 day of January, 2024

**Thornton School District, NH**

By: Kyla Welch

Title: Supt. of Schools/SAU48

Sincerely,

*Reneé*

Reneé M. Piché
President