

2020 Auto Car



1/31/2019

Sent Via Email: pmchugh@crowstruck.com

Haywood County Solid Waste TN

It is a pleasure to submit for your consideration the following proposal to provide lease-purchase financing based on the terms and conditions set forth below:

1. Lessor: BancorpSouth Equipment Finance, a division of BancorpSouth Bank
2. Lessee: Haywood County Solid Waste TN
3. Equipment Description: 2020 Autocar w- Heil 40yd Dura Pack Front Load
4. Equipment Cost:
 - a. \$292,317.00
 - b. \$297,970.00
 - c. \$302,448.00
5. Lease Term: 2, 3 or 5 years
6. Lease Payments:

(These are approximate payment amounts. The actual payment will be determined at funding date.)

 - a. 24 Monthly payments of \$6,098.71 w/ balloon \$165,000.00 due 1 month after final payment
 - b. 36 Monthly payments of \$4,550.34 w/ balloon \$163,000.00 due 1 month after final payment
 - c. 60 Monthly payments of \$4,307.04 w/ balloon \$85,600.00 due 1 month after final payment arrears
7. Lease Rate: 24 - 3.99%, 36 - 4.04%, 60- 4.14%
(Rate indexed to 5.50% prime rate)
Rate could increase with increase in prime rate
Before closing
8. Funding Date: This proposal is contingent upon the equipment

January 31, 2019

being delivered and the lease funded prior to 3/15/2019 Any extension of the funding or delivery date must be in writing.

9. Purchase Option: Title is passed to Lessee at lease expiration for no further consideration.
10. Non-appropriation/Termination: The lease provides that Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of non-appropriation. In such event, the Lessee agrees to provide an attorney's opinion confirming the events of non-appropriation and Lessee's exercise of diligence to obtain funds.
11. Bank Qualification: This lease-purchase financing shall be designated as a bank qualified tax-exempt transaction as per the 1986 Federal Tax Bill. This means that the Lessee's governing body will pass a resolution stating that it does not anticipate issuing more than \$10 million in General Obligation debt or other debt falling under the Tax Bill's definition of qualifying debt during the calendar year that the lease is funded.
12. Tax Status: This proposal is subject to the Lessee being qualified as a governmental entity or "political subdivision" within the meaning of Section 103(a) of the Internal Revenue Code of 1954 as amended, within the meaning of said Section. Lessee agrees to cooperate with Lessor in providing evidence as deemed necessary or desirable by Lessor to substantiate such tax status.
13. Net Lease: This will be a net lease transaction whereby maintenance, insurance, taxes (if applicable), compliance with laws and similar expenses shall be borne by Lessee.
14. Financial Statements: Complete and current financial statements must be submitted to Lessor for review and approval of Lessee creditworthiness.
15. Lease Documentation: This equipment lease-purchase package is subject to the mutual acceptance of lease-purchase documentation within a reasonable time period, otherwise payments will be subject to market change.

If the foregoing is acceptable, please so indicate by signing this letter in the space provided below and returning it to BancorpSouth Equipment Finance. **The proposal is subject to approval by BancorpSouth Equipment Finance's Credit Committee and to mutually acceptable terms, conditions and documentation.**

Acceptance of this proposal expires as the close of business on 3/15/2019. Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Bob Lee at 1-800-222-1610.

Bob Lee

Bob Lee
Municipal Finance Manager

ACKNOWLEDGMENT AND ACCEPTANCE

By: _____

Date: _____ Title

2020 Autocar

Client: Haywood County Solid Waste

Equipment: 2020 Autocar with a Heil 40YD Durapack Body (Front Loader Garbage Truck)

Option 1: 2 Years Standard Warranty

Sales Price: \$285,539.00

Term: 2 Years

Balloon: \$165,000

Payment: \$5,804.41 (Monthly in Arrears)

Interest Rate: 3.99%

Option 2: 3 Years Standard Warranty

Sales Price: \$285,539.00

Term: 3 Years

Residual: \$157,000

Payment: \$4,339.63 (Monthly in Arrears)

Interest Rate: 4.04%

Option 3: 5 Years Standard Warranty

Sales Price: \$285,539.00

Term: 5 Years

Residual: \$85,600.00

Payment: \$3,994.57 (Monthly in Arrears)

Interest Rate: 4.14%

Option 4: 2 Years Warranty Matched to Term

Sales Price: \$292,317.00

Term: 2 Years

Residual: \$165,000.00

Payment: \$6,098.71 (Monthly in Arrears)

Interest Rate: 3.99%

Standard warranty on the Heil body is one year. This includes a second year of Heil warranty and adds \$6,778.00 to the price of the truck.

Option 5: 3 Years Warranty Matched to Term

Sales Price: \$297,970.00

Term: 3 Years

Residual: \$163,000.00

Payment: \$4,550.34 (Monthly in Arrears)

Interest Rate: 4.04%

Standard warranty on the engine and after-treatment system is 2 years unlimited mileage. Standard warranty on the transmission is 3 years. To go to a 5 year engine and after-treatment warranty and a 3 year body warranty it would add \$12,431 to the sales price which is included in the price above. The engine and after-treatment warranty adds \$2,975.00. The Heil Body warranty adds: \$9456.00.

Option 6: 5 Years Warranty Matched to Term

Sales Price: \$302,448.00

Term: 5 Years

Residual: \$85,600.00

Payment: \$4,307.04 (Monthly in Arrears)

Interest Rate: 4.14%

To take the engine and after-treatment to 5 years and the transmission to 5 years and the body to 5 years adds \$16,909.00 to the price of the truck. Engine & Transmission would add \$4,204.00 and the body would add \$12,705.00. The warranty, once again, is included in the sales price.

Payments: Monthly in Arrears

Option 3: 5 Years Standard Warranty

Sales Price: \$285,539.00

Term: 5 Years

Residual: \$85,500

Payments: Monthly in Arrears

Option 4: 2 Years with warranty matched to term

Sales Price: \$292,317.00

Term: 2 Years

Residual:

Resolution approving lease/ purchase of Garbage Truck and / sale as surplus property old garbage truck.

Whereas, the Haywood County Solid Waste is in urgent need of a new Garbage truck;
and

Whereas, the Haywood County Commission has previous had presented a contractual arrangement of a lease/ purchase of the said new Garbage Truck with Bancorp's South Equipment Finance but was misclassified as a purchase of the same.

Whereas, the Haywood County Commission hereby authorizes, ratifies, and approves the lease/purchase of the said Garbage Truck in the attached agreement; and

Whereas, the said one garbage truck is no longer needed with the Solid Waste Director authorizes to pick out the worst conditioned Garbage Truck, without lien thereon, and the same is hereby declared surplus and the said Director is authorized to sale the said surplus truck as part of this transaction.

It is therefore authorized that the County Mayor is hereby authorized to execute the attached lease/purchase contract and respective title to the surplus Garbage Truck for the completion of the transaction.

This resolution is hereby approved on this the _____ day of May, 2019.

Yeas _____

Nays _____

Pass _____

Approved this _____ day of May, 2019.

Joe Stephens, Chairman

Sonya Castellaw Clerk

David M. Livingston
County Mayor