



TERM SHEET

Date: March 31, 2015

Type of Transaction: Lease-Purchase Agreement (the "Lease")

Lessee: City of North Royalton

Lessor: Huntington Public Capital Corporation

Escrow Agent: The Huntington National Bank or other mutually acceptable financial institution

Financed Amount: \$426,841.61

Use of Proceeds: To finance plow trucks (the "Equipment")

Structure/Security: The Lease shall be payable from legally available revenues of the Lessee, subject to annual appropriation. Pursuant to the Lease documentation, the Lessee shall hold title to the Equipment and grant Lessor a continuing, first prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto.

Tax Status: Tax-Exempt (Bank Qualified)

Commencement Date: Around July 1, 2015

If escrow funding is required, the Financed Amount will be deposited with the Escrow Agent on the Commencement Date for the benefit of the Lessee. As Equipment is delivered to and accepted by the Lessee, disbursements will be made by the Escrow Agent at the direction of the Lessee and with the written approval of Lessor

Term: 7 years

Payment Frequency: Annual

Indicative Interest Rate:

7 Year Option: 2.46% based on the current week ending 5 year swap rate.

The final Interest Rate will be set 10 days prior to the Commencement Date in accordance with the following formula:

$$(5 \text{ year week ending interest rate swap} + 2.13) \times 65\%$$
$$(1.66\% + 2.13\%) \times 65\% = 2.46\%$$

Information on the 5 year interest rate swap can be found at:
<http://www.federalreserve.gov/releases/h15/current/>

Fees:

Documentation Fee:	\$250.00
Escrow Fee:	\$350.00

Prepayment Option: The Lease may be prepaid at any time (in whole, but not in part) at a price equal to the then outstanding balance ("Balance"), plus accrued interest, plus a prepayment premium calculated as follows: 3% of the Balance if paid in the first 12 months of the Lease Term; 2% of the Balance if paid in the second 12 months of the Lease Term; and 1% of the Balance if paid after the second 12 months of the Lease Term.

Insurance: Lessee, at its own expense, will provide insurance naming Lessor as loss payee and additional insured.

Warranties: Lessor makes no warranties expressed or implied. Lessee’s sole warranty rights are any provided by the Equipment vendors and/or manufacturers.

Net Lease: Lessor is not a manufacturer or dealer of equipment. All maintenance, license fees, taxes, insurance, and any other costs related to ownership and operation of the Equipment shall be the responsibility of Lessee.

Documentation: Lessor contemplates using standardized documentation and intends to use in-house legal counsel. If this transaction necessitates that the Lessor use outside legal counsel or incur any other extraordinary expenses, such costs shall be borne by Lessee.

Credit Approval: The terms set forth herein reflect a proposed, preliminary structure and are subject to final credit approval by Lessor and the negotiation of mutually acceptable documentation. They do not represent all of the terms and conditions that may ultimately be included in a financing between Lessee and Lessor.

Proposal Expiration: This proposal shall expire at Lessor’s option if (a) Lessor has not received the Lessee’s written acceptance by April 10, 2015; or (b) if the funding does not occur on or before September 1, 2015.

Huntington Contact:
 Jill Murphy, Vice President
 Director of Business Development – Huntington Public Capital
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 Maureen Shildwachter, Vice President
 Government Banking Relationship Manager
 Phone: 216-515-6135
 Email: Maureen.Shildwachter@Huntington.com

Accepted By:
 City of North Royalton

By

Name

Title

Date

Sample Lease Payment Schedule

7 Year Option

	Date	Payment	Interest	Principal	Balance
Loan	7/1/2015				426,841.61
1	12/1/2015	66,187.25	4,401.50	61,785.75	365,055.86
2	12/1/2016	66,187.25	8,980.37	57,206.88	307,848.98
3	12/1/2017	66,187.25	7,573.08	58,614.17	249,234.81
4	12/1/2018	66,187.25	6,131.18	60,056.07	189,178.74
5	12/1/2019	66,187.25	4,653.80	61,533.45	127,645.29
6	12/1/2020	66,187.25	3,140.07	63,047.18	64,598.11
7	12/1/2021	66,187.25	1,589.14	64,598.11	0.00
Grand Totals		463,310.75	36,469.14	426,841.61	



City of North Royalton

Mayor Robert A. Stefanik

Nick Cinquepalmi

Service Director

Service Department

440-582-3002

fax 440-582-3089

TO: Laura Haller, Legislative Director
FROM: Nick Cinquepalmi, Service Director
DATE: March 31, 2015
RE: State Purchase Truck

We are requesting legislation be drawn up for approval at next Council Meeting of April 7, 2015 for state purchase with the following information:

- **(3) 2016 International Single Axle Trucks @ \$260,877.00**

Rush Truck Center
11775 Highway Drive
Cincinnati, OH 45241
440-241-6404
440-658-2010 Fax
ODOT Contract STS Schedule Number: 023-14

Concord Road Equipment Mfg., Inc. – Plow and Dump body (\$165,964.61)
348 Chester Street
Painesville, Ohio 44077
440-357-5344
440-357-1942 Fax
Ohio DAS Contract STS Schedule Number: 800116
Index Number: STS515

If there are any questions, please call. Thanks.

/aca

c: Mayor Robert Stefanik
Thomas A. Kelly, Law Director
Eric Dean, Finance Director
Council President
Council
File