



Tamara R. Storey  
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June 3, 2010

Tamara Bennett  
Supervisor Enterprise Department  
Project Analyst  
City of Westfield  
Westfield, IN

Dear Ms. Bennett::

On behalf of Huntington Equipment Finance, I am pleased to submit the following proposed solution ("Proposal") to your equipment finance needs, subject to the terms and conditions outlined herein.

**LESSOR:** The Huntington National Bank ("Lessor")

**LESSEE:** City of Westfield

**BANK QUALIFIED:** This proposal assumes that the Lessee will not issue more than \$30 million of tax-exempt obligations in this calendar year, and that the Lessee will designate this Lease as a "qualified tax-exempt obligation".

**EQUIPMENT:** 2 – 2011 Kenworth vehicles

**EQUIPMENT LOCATION:** Westfield, IN

**LEASE AMOUNT:** \$287,253.00

**LEASE STRUCTURE:** Tax Exempt Municipal Lease

**LEASE COMMENCEMENT:** TBD

**LEASE TERM:** Seven years – Payments to be made semi-annually in advance

**RENTAL PAYMENT AND LEASE FACTOR:** Due semi-annually in July and December to approximate \$22,979.48 or 7.989% of the Original Lease Amount. Tax Exempt rate of 3.53%

**RENTAL ADJUSTMENT:** The Lease factor and Rental Payment quoted herein will adjust from the Proposal date until the Commencement Date based on the yield of the Lessor's matched maturity internal cost of funds, as published by its Treasury Division. At that date, the Lease

Factor and Rental Payment will be set and shall be fixed for the Lease Term.

**END OF TERM OPTION:**

At the end of the Lease Term, the Lessee unconditionally guarantees to purchase the Equipment from Lessor for \$1.00.

**PAYMENT METHOD:**

Direct deductions of semi-annual Rental Payments from the Lessee's Huntington National Bank deposit account or by semi-annual ACH. Each Rental Payment shall be due and payable on either the fifth or twentieth day of each month (the "Payment Date").

**INTERIM FUNDING:**

If the Commencement Date is not on the fifth or the twentieth day of each month, and/or if the Lessor makes disbursements for down payments, progress payments, or equipment deliveries prior to Lease Commencement, the Lessee shall pay interim rent equal to 1/30<sup>th</sup> of the monthly Rental Payment for each day between the disbursement or commencement Date and the first Payment Date.

**FEES AND EXPENSES:**

Lessor contemplates using standardized documentation and intends to use in-house legal counsel. Lessee will remit a per schedule non-refundable documentation fee of \$350.00 to cover the administrative expenses of processing this transaction. If this transaction necessitates that the Lessor use outside legal counsel, obtain appraisals, or incur any other extraordinary expenses, such costs shall be borne by Lessee.

**DOCUMENTATION:**

All documentation and all terms and conditions not covered in this proposal must be satisfactory to Lessor.

**FINANCIAL STATEMENTS:**

Lessee will furnish year-end and interim financial statements, operating figures, and other statements as required by Lessor, throughout the Lease Term.

**INSURANCE:**

Lessee, at its own expense, will provide insurance naming Lessor as Loss Payee and Additional Insured.

**WARRANTIES:**

The Lessor gives no warranties on the Equipment, expressed or implied. Lessee's sole warranty rights are those given by the manufacturer of the Equipment.

**NET LEASE:**

The Lessor is neither a manufacturer of nor a dealer in the Equipment, which is selected by the Lessee. Maintenance, licenses, or use taxes, insurance, and all costs of operation will be Lessee's responsibility. The lease will be a Net Lease, evidencing the unconditional obligation of Lessee to pay all Rental Payments without setoff or reduction or delay whatsoever. The Lease will contain provisions not outlined in the proposal.

**MATERIAL CHANGE:**

The Proposal is based on a preliminary equipment description sent by Lessee to Lessor. In the event that the actual equipment differs in any material respect from the preliminary list, or in the event that there is a material adverse change in the Lessee's financial condition prior to funding, Lessor shall have the right to terminate hereunder without thereby incurring any liability to Lessee.

**PROPOSAL EXPIRATION:**

If not accepted in written form by Lessee, this Proposal will expire on June 4, 2010

Lessee acknowledges that this Proposal is not intended and shall not be construed a commitment by Lessor and that any commitment is subject to Lessor's complete satisfactory review of Equipment and formal credit approval.

Again, Ms. Bennett, thank you for allowing me this opportunity. Please feel free to contact me with any questions regarding this Proposal.

Sincerely,

Tamara Storey  
Vice President

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THE ABOVE TERMS AND CONDITIONS ARE HEREBY AGREED TO AND ACCEPTED THIS

\_\_\_\_\_ DAY OF \_\_\_\_\_, 2020,

City of Westfield

By: \_\_\_\_\_

Its: \_\_\_\_\_