

Tax-Exempt Leasing



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Why do this?



- Pay for project on budget friendly terms.
- No payment for one year (Could be 13-15 months).
- Balance sheet asset.
- Vendor gets all his money upfront!
- Present value = discount potential.
- Can build-in renewal (“Stickiness”).
- Can use local bank.

What can be included?



- Design.
- Hardware and software.
- Project management and installation.
- Fees.
- Extended maintenance.

Initial Offer



The following proposal involves a municipal, tax exempt lease subject to annual appropriation. This proposal does not constitute a contract or an offer of a contract. It is provided as a reasonable guide to what an average customer might expect on 11/7//08. Financing is subject to final credit approval by the Credit/Investment Committee of SunTrust Bank and approval of the lease documents is in SunTrust Leasing Corporation's sole discretion. The actual interest rate a client can expect is based on credit worthiness and market conditions at closing. It is important to note that market conditions are extremely volatile at this time.

The numbers



Term	Total Cost of Project	Down Payment	Principal	Fee ^[1]	Total Leased	Interest Rate	Annual Payment	Total Paid over Term for Lease	Total Interest and Fees Paid over Term	Effective Rate on Declining Balance
5 years	1,249,850	145,000	1,104,850	6,024	1,110,742	3.985%	249,395	1,246,975	142,125	2.57%
5 years	1,876,430	145,000	1,731,430	9,157	1,740,587	3.985%	390,814	1,954,070	222,640	2.57%

^[1] This fee includes escrow set-up and documentation. UCC filing cost must be paid at closing.

Process



- You provide price breakout.
- I provide contingent offer.
- Client approves plan and provides financials.
- I provide formal offer.
- Council approves.
- Bank and client sign contract.
- Closing and funding.

Contact Data



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