

November 25, 2025

TAX EXEMPT LEASE PURCHASE

Sales Organization:	South Coast	Equipment:	Pierce
Sales Representative:	Tim Olley		Search and Rescue
Lessee:	City of Orange	Apparatus Cost:	\$2,031,793.00
Delivery Time:	Per contract	Taxes / discounts:	-\$100,186.50
Payment Type:	Yearly	Down Payment:	\$0.00
First Payment Due Date:	1 year after lease start	Trade In: Amount	\$0.00
Commencement Date:	TBD	Financed:	\$1,931,606.50

Term	5 Year Lease Purchase		
Number of Payments	5		
Payment Amounts	\$434,256.93		
Interest Rate	4.03%		

TYPE OF FINANCING: Tax-exempt Lease Purchase Agreement with a \$1.00 buy-out option at end of lease term. Said agreement shall be a net lease arrangement whereby lessee is responsible for all costs of operation, maintenance, insurance, and taxes.

PERFORMANCE BOND: To utilize the prepay program, a performance bond is required. Said performance bond shall be paid for directly to Pierce Manufacturing or financed by PNC Bank as part of the transaction.

- 1. AUTHORIZING RESOLUTION AND SIGNORS:** The lessee's governing board shall pass a Resolution or ordinance acceptable to PNC Bank, National Association ("PNC") (PNC's form is strongly preferred) authorizing the transaction designating the individual(s) to execute all necessary documents used therein.
- 2. BANK QUALIFICATION:** This proposal assumes that the lessee will not be issuing more than \$10 million in tax-exempt debt this calendar year. Furthermore, it is assumed that the lessee will designate this issue as a qualified tax-exempt obligation per the tax act of 1986.
- 3. LEGAL TITLE:** Legal title to the equipment during the lease term shall vest in the lessee, with PNC perfecting a first priority security interest.
- 4. LEGAL OPINION:** The lessee's counsel shall furnish PNC with an opinion in a form and substance satisfactory to PNC (PNC's form is strongly preferred).
- 5. ESCROW FUNDING OPTION:** At lease closing, if all of the equipment has not yet been delivered, Lessor will fund an escrow account from which disbursements will be made to the equipment provider(s) upon receipt of a Requisition Request and Certificate of Acceptance from Lessee. Escrow agent will either be Lessor or third-party provider selected by Lessor and approved by Lessee. All escrow earnings will be for the benefit of Lessee. The escrow agent will assess a \$250.00 account set up fee payable at closing.

VOLUNTEER FIRE DEPARTMENTS: If Lessee is a Volunteer Fire Department, a public hearing under the requirements of Section 147(f) of the Internal Revenue Code of 1986 shall be conducted to authorize this transaction. It is recommended that a notice of the public hearing be published 10 to 14 days in advance of the public hearing.

This proposal will be valid for Seven Days (7) from the above date and is subject to final credit approval by PNC Bank and approval of the lease documents in PNC Bank's sole discretion. To render a credit decision, lessee shall provide PNC Bank with their most recent three years audited financial statements, copy of their most recent interim financial statement, and current budget.

City of Orange

Proposal Accepted : _____
Lessee: Daniel R. Slater, Mayor

Proposal Submitted : _____
Representative: Kim Simon

ATTEST:

Pamela Coleman, City Clerk

APPROVED AS TO FORM:

Nathalie Adourian, City Attorney

PNC Bank | Kim Simon | Vice President
Phone: 614.670.3994 | Fax: 866.852.3101 | Kim.Simon@PNC.com

Budgetary Numbers:		Date	5 Year Lease Purchase
Pierce Apparatus:	(1) Search and Rescue Unit	December 2025	Order/Lease Start
Estimated Delivery:	Per Contract	December 2026	\$434,256.93
Cost:	\$2,031,793.00	December 2027	\$434,256.93
Sales Tax @ 7.75%:	\$157,463.96	December 2028	\$434,256.93
CA Tire fee:	\$17.50	December 2029	\$434,256.93
Consortium Fee:	\$2,000.00	December 2030	\$434,256.93
Performance Bond:	\$4,977.89	Rate	4.03%
Total Cost without Discounts:	\$2,196,252.35	Total Payments	\$2,171,284.64
		Effective Rate	-0.38%
Cost:	\$2,031,793.00		
Budgetary Prepayment Discount:	\$245,611.00		
Cost with Discounts:	\$1,786,182.00		
Sales Tax @ 7.75%:	\$138,429.11		
CA Tire Fee:	\$17.50		
Consortium Fee:	\$2,000.00		
Performance Bond:	\$4,977.89		
Amount Financed:	\$1,931,606.50		
Total Savings:	\$264,645.85		

* Rate as of November 25, 2025 and is fixed at closing.

* **Effective rate** is the rate based on the price of the apparatus excluding prepayment discounts. It's what the rate needs to fall to at the time of delivery to obtain the lease payment available today with the 100% the lease payment available today with the 100% prepayment discount.