

WHAT IS A TRADITIONAL LEASE?

The Traditional Lease features a municipal lease agreement with a fully amortizing payment plan for a term of 3 to 15 years. The agreement includes language to annually non-appropriate if funds are not available. At the end of the payment, the apparatus is owned free and clear. The agreement can be prepaid at any time without any penalty.

Example

The general details of a Traditional Lease is as follows:

Equipment:	Three (3) Fire Trucks	
Unit Price:	\$250,000.00	
Amount Financed:	\$750,000.00	
First Payment Date:	On delivery	
Annual Payments:	<u>10 years</u> \$95,879.34*	<u>7 years</u> \$127,230.51*
Interest Rate:	5.07% *	4.92%*

* Rates may change due to changes in market conditions.

General Terms and Conditions:

- ◆ Must enforce all warranty claims during warranty period.
- ◆ Must maintain apparatus in reasonable condition, normal wear and tear excepted.
- ◆ Must maintain liability and casualty insurance.
- ◆ Other terms and conditions may apply.
- ◆ Can terminate the lease agreement at the end of each year without penalty (other than loss of use of the apparatus).
- ◆ Can payoff lease agreement (purchase the apparatus) at any time.
- ◆ Traditional lease agreement can be structured with lower early buyouts.

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