















LEASING 2





Local Government Expertise

Leasing 2 is specialized in local government truck and equipment financing. Unlike commercial businesses, government agencies are subject to strict compliance, challenging budgets, and specific approval processes. Our team of skilled professionals has worked directly with local governments and their vendors since 1989.

Leasing 2 has in-depth knowledge of local governments' unique equipment leasing requirements including fiscal funding, non-appropriation, federal income tax exemptions, bank-qualified, and sovereign immunity. We have extensive experience with tax-exempt lease financing for capital projects and equipment and are particularly experienced in assisting local governments and their vendors.

INDUSTRY SPECIALIZATION

Leasing 2 strives to provide custom solutions to various government sectors. We've worked with:

Public works departments

Public schools

Fire departments

Law enforcement

Emergency Medical Services (EMS)

What is a Tax-Exempt Lease?



Also known as a municipal lease, a government lease or a government lease purchase, a tax-exempt lease is a specialized lease financing tool available to local and state governments.

Characteristics unique to a tax-exempt lease include:

Political Subdivision

The lessee in most cases must be a political subdivision within the United States.



The cost of lease financing is minimized by a federal income tax exemption to the lessor. The exemption is made available under the same IRS code that supports the municipal bond market.

Does Not Create Debt

Debt is not created due to an annual funding out provision typically referred to as a Non-Appropriation Clause. This is important to local governments since they are restricted from issuing general obligation debt without voter approval.



WHO QUALIFIES FOR TAX-EXEMPT LEASING?

Section 103(a)(1) of the Internal Revenue Code identifies any state, territory or possession of the United States, or any political subdivision thereof.

With few exceptions, the following organizations qualify: **states**, **counties**, **cities**, **towns and villages**, **special tax districts including schools**, **water**, **fire**, **and hospitals**. There are also special provisions for volunteer fire departments and certain 501(c)(3) organizations.



What Can Be Leased?



With a tax-exempt lease, you can secure financing for all **essential** use equipment and real property.

Equipment

Fire trucks Ambulances Garbage trucks Street sweepers Sewer vacuum trucks Snow plows School and transit buses Energy-related equipment —lighting and HVAC Modular buildings Police cars Computer hardware and software Telecommunication and radio equipment Road equipment Office machinery such as copiers and printers Parking meters Healthcare equipment Medical aircraft 911 systems Cafeteria equipment Election equipment Library equipment Water project equipment



Real Property

Fire and police stations Jail/detention facilities City halls School buildings Athletic fields Water and waste treatments plants

Improvements to real property



Advantages of Tax-Exempt Leases



Equity

Each payment includes a principal component which creates an equity ownership position over time.

Efficiency

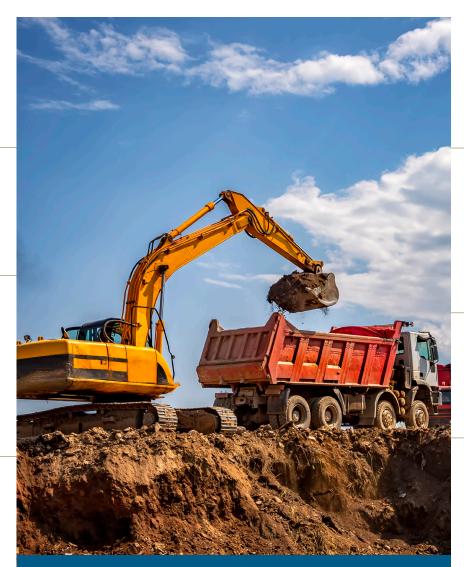
Completed financing in as little as two weeks.

Low Cost

Tax-exempt interest rates can be lower than both equipment inflation and investment earning accounts with the cash you preserve.

100% Financing

No down payments required.



Extended Terms

Up to 15 years on some equipment, up to 20 years on real property.

Flexibility

Payments can be customized to match your budget cycle. Pay monthly, quarterly, semi-annual, or annual.

No Closing Costs

In almost all cases there are no issuance/closing costs.

Why Lease New Equipment?



You might face challenges when deciding whether or not you can afford new vehicles and equipment.

Fortunately, tax-exempt leases help you get your needed equipment now, and delay your first payment until the next budget year. **This helps** you match cost with revenue and minimize the impact of large purchases in a single budget year. Plus, you'll eliminate the maintenance costs of older equipment.



Investing in communities today to build a better tomorrow.

FOR MORE INFORMATION:

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