

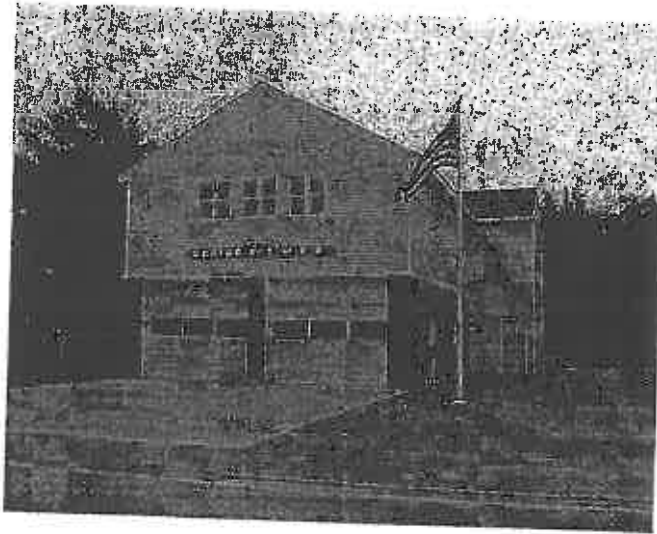
Financing for Fire Station #3

Option 1

**Need A New Fire Station?
Want To Expand Or Renovate
Your Old One?**

First Government Lease Co. can help!

Call Paul Graver – toll free – 866.793.9670



First Government Lease Co. finances everything
from building materials for “do it yourself” renovations to full project
construction financing.

We also finance *Used* and new equipment.

First Government Lease Co.

Lease Purchase Agreement for Real Estate

Lessor:
First Government Lease Co.
Box 8331
Northfield, IL 60093
847.441.5684
Fax 847.441.5012
info@firstgovernment.com

Lessee:
Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Description of Real Estate: _____ VIN _____

Quantity: _____ Unit Price: _____ Total: _____

Total Cash Price _____

Less Down Pmt. _____

Net _____

Interest & A.P.R. _____

Total Lease Price _____

Number of Pmts. (Term) _____

Amt. of each Pmt. _____

Lease Beginning Date _____

First Payment Due Date _____

- Lessor hereby leases to lessee that certain real estate described above, subject to the terms, provisions, conditions and agreements of this lease hereinafter set forth:
1. Said real estate is leased beginning and for the Term specified above.
 2. Lessee agrees to pay lessor one monthly payment specified above on the Lease Beginning Date and equal successive monthly payments until an amount equal to the total lease amount specified above has been paid. Any amount due under this Lease which is past due more than ten (10) days shall be subject to a one-time late payment charge of \$100 plus an amount equal to five percent (5%) of the amount past due.
 3. Lessee may purchase said real estate at any time during the lease term for the total lease price, less any payment already made and also less a portion of the lease service fee according to a schedule furnished on request by lessor to lessee, shall constitute purchase of the real estate. Also payment of all the monthly payments when due shall automatically constitute purchase of said real estate effective on the last day of the lease period.
 4. Lessee may cancel this Lease Purchase Agreement only with Lessor's written approval at any time within; the first 90 days of lease by giving written notice to Lessor and returning said real estate to Lessor, or to its order, in good condition as received, less normal wear, tear and depreciation. Upon such proper return, Lessee shall have no obligation to make payments coming due after the notice period.
 5. Lessee, at its own cost and expense, shall keep the real estate in good repair, condition and working order and shall furnish any and all parts, mechanism and devices required to keep the real estate in good mechanical and working order. Lessee hereby assumes and shall bear the entire risk of loss and damage to the real estate from any and every cause whatsoever. No loss or damage to the real estate or any part thereof, shall impair any obligation of Lessee under this lease which shall continue in full force and effect. Lessee hereby appoints Lessor as Lessee's attorney in fact with full power to do all things to protect and further Lessee's and Lessor's agreement as set forth herein, including but not limited to, signing and filing UCC's, title applications and taking such other actions as Lessor deems reasonable and necessary.
 6. If Lessee with regard to any item or items of real estate fails to pay any rent or other amount herein provided with 60 days after the same is due and payable, or if Lessee with regard to any item or items of real estate fails to observe, keep or perform any other provision of this lease required to be observed, kept or performed by Lessee, Lessor shall have the right to exercise any one or more of the following remedies: a. To declare the entire amount of rent hereunder immediately due and payable as to any or all items of real estate, without notice or demand to Lessee. b. To sue for and recover all rents, and other payments then accrued or thereafter accruing, with respect to any or all items of real estate, take possession of any or all items of real estate without demand or notice, wherever same may be located, without any court order or other process law. c. To terminate this lease as to any or all items of real estate. d. To pursue any other remedy at law or in equity, notwithstanding any said repossession, or any other action which Lessor may take, Lessee shall be and remain liable for the full performance of all obligations on the part of Lessee to be performed under this lease. e. Lessee further agrees to pay all attorneys' fees incurred by Lessor in enforcing Lessor's rights under this agreement. All such remedies are cumulative, and may be exercised concurrently or separately.
 7. Lessee intends to do all things lawful within its power to obtain and maintain funds from which payments may be made, including making provision for such payments to the extent necessary in each periodic budget submitted and adopted in accordance with applicable provisions of state and local law, to have such portion of the budget approved and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Lessee reasonably believes that legally available funds in an amount sufficient to make all Lease Payments during the term can be obtained. After a nonappropriation, the Lessee may not use other property or real estate to perform the same, or substantially similar, services for a period of one year.
 8. Upon commencement of the Term, title to the real estate shall pass to Lessee from vendor or supplier. Lessee hereby grants a security interest in the real estate described herein, and the proceeds thereof to Lessor.
 9. Lessee agrees to bring any judicial action arising directly or indirectly in connection with this agreement or any transaction covered hereby only in Courts located within Cook County, IL. Lessee also consents and submits to the jurisdiction of any State or Federal Court located within Cook County, IL. The choice of law shall be IL.
 10. I certify that I am duly authorized to act within the powers of my office by executing this Lease Agreement, and the real estate being financed is essential to its governmental mission.
 11. I certify that I am duly authorized to act within the powers of my office by executing this Lease Agreement, and the equipment being financed is essential to its governmental mission.
 12. Lessee agrees to produce yearly balance sheets & income statement information to Lessor within 90 days of fiscal year end.
- In witness whereof, the parties hereto have executed this lease this _____ day of _____, 20____.

By _____
First Government Lease Co.

(Lessee Signature)

(Print Signature and Title)

As Counsel for Lessee, I acknowledge that I have reviewed this Lease Purchase Agreement, the extract of any enabling minutes, and all necessary proceedings taken by the Lessee to authorize and execute this Lease Purchase Agreement, and therefor, I am of the opinion: a. The lessee is a duly constituted public corporation and political subdivision of the State referred to above, and b. This Lease Purchase Agreement has been duly authorized, executed and delivered by an authorized representative of the Lessee and is enforceable against the Lessee in accordance with its terms and conditions, and c. this Lease Purchase Agreement is a legal, valid and binding obligation of the Lessee.

(Counsel for Lessee)

(Print Signature and Title)

First Government Lease Co.

One-Page Lease To Own Financing

PO Box 8331
Northfield, IL 60093

Telephone 866.793.9670
Telefax 847.441.5012

www.firstgovernment.com
info@firstgovernment.com

First Government Lease Co. finances everything from building materials for "do it yourself" renovations to full project construction financing.

- Does your fire hall, police station or city hall look old and tired?
- Do you need more space for new officers, firefighters or EMTs, but you can't afford to office them appropriately?

If you answered yes to either of these questions, First Government Lease Co. can help. Our financing program is designed to help you get all this and more at a monthly payment you can afford. Its fast, it's easy and it's only available to government agencies such as townships, cities, states, counties, federal agencies and volunteer fire departments.

Do You Need A New Hall Or Department Building? Want to Renovate Your Old One?

- ✓ \$50,000 Minimum!
- ✓ 12 Years to Pay!
- ✓ Rates as low as 2.99%
- ✓ No Fees!
- ✓ No Down Payments!
- ✓ No Closing Costs!
- ✓ 48 Hour Approval!

Just follow these
3 simple steps:

Step 1:
Get an estimate of the total cost.

Step 2:
Call us at 866 793 9670
and we'll tell you the total
cost and what your low monthly
payment will be.

Step 3:
We'll help you fill out the
simple One Page commitment form,
then fax or mail it to us along
with the name of the suppliers.

First Government Lease Co. One-Page Lease To Own Financing

PO Box 8331
Northfield, IL 60093-8331

Telephone 866.793.9670
Telefax 847.441.5012

www.firstgovernment.com
info@firstgovernment.com

Binding Commitment Letter

Date: 7/14

Name and address of Department

PENNSYLVANIA TWP FD

13235 CANTON RD

Dear 7/14/20

First Government Lease Co. ("FGLC") stands willing, ready and able to fund up to \$ 2,000,000 for a station hall at the rate of 6.99%. The only requirement is that First Government Lease Co. be listed as first mortgage holder.

ON 12 YEARS

No fees, no deposit, no application, no escrow amounts, you are approved. First Government Lease Co. pays all fees.

This Binding Commitment Letter expires in one and a half years.

I can be present and report to the Board with a 48 hour notice.

Thank you for your attention to this matter.

Sincerely,

Paul Graver -- President
First Government Lease Co.
866-793-9670

Option 2

Independent Bank
333 W. Grandview Parkway
Traverse City, MI 49684

7/7/2021

Peninsula Township
Brad Bickle
Peninsula Township Treasurer
13235 Center Road
Traverse City, MI 49686
Office (231) 223 - 4484
Fax (231) 223 - 7117
Email: treasurer@peninsulatownship.com

Mr. Bickle:

This letter has been prepared to facilitate discussions of the possible terms of an extension of credit to you ("Applicant") by Independent Bank ("Bank"). This letter is not a commitment or an agreement to provide financing or extend credit to Applicant. Rather, it is for discussion purposes only. In the course of the Bank's due diligence, the Bank may become aware of facts or requirements that affect the structure, terms and pricing of the proposed transaction.

This letter is prepared for the exclusive use of the Borrower and is not to be released, discussed or communicated in any form or manner with any third party or financial institution without the prior written consent of the Bank. No third parties are entitled in any way to rely upon it.

Option #1

Borrower:	Peninsula Township
Loan Amount:	UP TO \$1,500,000
Loan Type:	Credit Facility to be defined by the applicable laws that enable the Township to borrow funds
Purpose:	Bridge timing from expenditures for capital spend and receipts from assessments.
Primary Collateral:	Full Faith and Credit of Peninsula Township
Guarantor(s):	None
Term:	3 year term
Amortization:	Interest Only Payments – Monthly (5 th day of each month) all principal due at maturity
Loan Fees:	LOAN FEE IS WAIVED – Peninsula Township shall be responsible for all out of pocket expenses

Prepayment Penalty: None

Covenants: None

Reporting: Annual Audits

Interest Rate: PRIME – 1% WITH A FLOOR OF 2.25%

Other Requirements:

- Borrower to keep its primary deposit account, treasury management services and savings accounts to be maintained at the Bank, for the entire term length of loan to qualify for the loan pricing.
- Execution of documentation that is satisfactory in form and content to the Bank and/or its legal counsel. Bank intends to utilize its counsel as both document and close the loan. The charges for the legal counsel shall be the responsibility of the Borrower.
- Borrowers Counsel must provide opinion on legality of the borrowing, the Borrower's ability to pledge assets, borrow money, and that all proper meetings, votes, and authorizations are sufficient for the Borrower to enter into loan agreement with the Bank.

Option #2

Borrower: Peninsula Township

Loan Amount: UP TO \$1,500,000

Loan Type: Bank Qualified Tax Exempt Bond

Purpose: Finance Construction of a New Fire House

Primary Collateral: Full Faith and Credit of Peninsula Township

Guarantor(s): None

Term: 10 year term

Amortization: 10 year amortization

Bond Fees: BOND FEE IS WAIVED – Peninsula Township shall be responsible for all out of pocket expenses

Prepayment Penalty: None

Covenants: None

Reporting: Annual Audits

Interest Rate: Pricing for the first 5 years will be determined 10 days prior to the funding of the Bond and will be based on the Banks Cost of Funding. The current rate, if determined to meet the standards set forth by the Internal Revenue Service as "Bank Qualified Tax Exempt" is 3.10%

At the end of the Initial 5 years, the rate will adjust option to: The Five Year United States Treasury Constant Maturity + 275 basis points (with a 3.10% Floor).

During the tenure of the Bond should tax laws change that negatively affect the tax status of the Bonds or the tax benefit derived from the Bond to the Bank, the rate shall be changed to maintain the Banks interest rate yield.

Other Requirements:

- Borrower to keep its primary deposit account, treasury management services and savings accounts to be maintained at the Bank, for the entire term length of loan to qualify for the loan pricing.
- Execution of Bond documentation that is satisfactory in form and content to the Bank and/or its legal counsel. Bank intends to utilize its counsel as both Bank and Bond Counsel to document and close the Bond. The charges for the legal counsel shall be the responsibility of the Borrower.
- Borrowers Counsel must provide opinion on legality of the borrowing, the Borrower's ability to pledge assets, borrow money, and that all proper meetings, votes, and authorizations are sufficient for the Borrower to enter into loan agreement with the Bank.

Option #3

Borrower: Peninsula Township

Loan Amount: UP TO \$1,500,000

Loan Type: Bank Qualified Tax Exempt Bond

Purpose: Finance Construction of a New Fire House

Primary Collateral: Full Faith and Credit of Peninsula Township & Pledge of Property utilized for the New Fire House

Guarantor(s): None

Term: Up to a 20 year term

Amortization: 20 year amortization

Bond Fees: BOND FEE IS WAIVED – Peninsula Township shall be responsible for all out of pocket expenses

Prepayment Penalty: None

Covenants: None

Reporting: Annual Audits

Interest Rate: Pricing for the first 5 years will be determined 10 days prior to the funding of the Bond and will be based on the Banks Cost of Funding. The current rate, if determined to meet the standards set forth by the Internal Revenue Service as "Bank Qualified Tax Exempt" at a rate of 3.25%

At the end of EACH five year anniversary date, the rate will change to: The Five Year United States Treasury Constant Maturity + 275 basis points. (Floor of 3.25%)

During the tenure of the Bond should tax laws change that negatively affect the tax status of the Bonds or the tax benefit derived from the Bond to the Bank, the rate shall be changed to maintain the Banks interest rate yield.

Real Estate Due Diligence may be required, including but not limited to:

- Survey
- Environmental
- Appraisal

Other Requirements:

- * Borrower to keep its primary deposit account, treasury management services and savings accounts to be maintained at the Bank, for the entire term length of loan to qualify for the loan pricing.
- * Execution of Bond documentation that is satisfactory in form and content to the Bank and/or its legal counsel. Bank intends to utilize its counsel as both Bank and Bond Counsel to document and close the Bond. The charges for the legal counsel shall be the responsibility of the Borrower.
- * Borrowers Counsel must provide opinion on legality of the borrowing, the Borrower's ability to pledge assets, borrow money, and that all proper meetings, votes, and authorizations are sufficient for the Borrower to enter into loan agreement with the Bank.

We appreciate the opportunity to provide this discussion letter to you and look forward to further serving your financial needs. If you decide to move forward with our Term Sheet, the Bank will provide a formal Commitment Letter within 10 business days from your notification. If you have any questions, please feel free to contact me at (231) 590 1155.

Regards,



Cazber Wolever
Treasury Management

Mark. B. Kaufmann, CPA
Vice President – Commercial Banking
Independent Bank
333 W. Grandview Parkway
Traverse City, MI 49684
mkaufmann@ibcp.com
231 995 5529 Office
231 590 1155 Cell

Peninsula Township

5/14/2020

Page 5 of 5

ACCEPTED this _____ day of _____, _____.

Borrower:

*

By: X _____
*, *

Option 3

Treasurer

From: Dan Druskovich <DDruskovich@ssbankmi.com>
Sent: Friday, August 28, 2020 2:56 PM
To: Treasurer
Subject: Updated information
Attachments: 1445_001.pdf

Brad,

Pursuant to our last discussion please find the updated information as requested. Please feel free to contact me with any questions.

Have a great weekend!

Thanks,

Dan

Dan Druskovich
Regional President
NMLS# 1110069



State Savings Bank • 416 E. Front St., Traverse City, MI 49686
Direct (231) 943-2546 • Cell (231) 633-7007 • Fax: (231) 943-2545
ddruskovich@ssbankmi.com
www.ssbankmi.com



IDENTITY THEFT WARNING:

DO NOT submit any of your sensitive personal or confidential information via unsecured email. All such information should be DROPPED OFF IN PERSON, or sent by other secure communication means such as fax or SECURE email. Please arrange for the SECURE delivery of such information for your own identity and confidentiality protection, and the security of the bank's information. Please do not hesitate to call us if you have any questions.

 **STATE SAVINGS BANK**

August 28, 2020

Mr. Brad Bickle, Treasurer
Peninsula Township
13235 Center Road
Traverse City, MI 49686

Dear Brad,

I am pleased to inform you that State Savings Bank's Board of Directors has approved your loan request. The terms and conditions of this loan are as follows:

This letter is prepared for the exclusive use of the Borrowers/Guarantors/Applicants and is not to be released, discussed or communicated in any form or manner with any third party or financial institution without the prior written consent of the Bank. No third parties are entitled in any way to rely on it.

Borrower: Peninsula Township

Loan Amount: Up to \$1,100,000.00

Loan Type: Construction loan and Commercial Real Estate Mortgage

Purpose: To provide financing for a new Fire Station in Peninsula Township

Pricing:

1. Years 1 New York Prime minus .375%, floating (Construction Period)
2. Years 2 – 5 3.125% fixed;
3. Years 6 – 10 (325 basis points over the 5 year Treasury Constant Maturity with a floor of 3.00% at that time with minimum deposit balances to be maintained at 20% of the loan amount)

Term: Ten year term (Twenty year amortization)

Fees: Any out-of-pocket expenses (i.e. appraisal fees, attorney fees, title insurance fees, etc...)

Collateral: First commercial real estate mortgage on property and improvements of the new Fire Station to be built at the corner of Center Road and Swaney Road, Traverse City, MI 49686 (Peninsula Township)

Repayment: Interest only, monthly, for the first twelve months (based on the funds disbursed during construction) at an interest rate of New York Prime minus .375%, floating; followed by 48 consecutive principal and interest payments based on the loan amount after construction is completed at an interest rate of 3.125% fixed followed by 60 consecutive monthly principal and interest payments based on the principal balance of the loan at that time and an interest rate of 325 basis points over the 5 year Treasury Constant Maturity with a floor of 3.00% and all principal and accrued and unpaid interest due at maturity.

Prepayment Penalty: None

Supporting Documents: N/A

Reporting Requirements: Annual audited statements

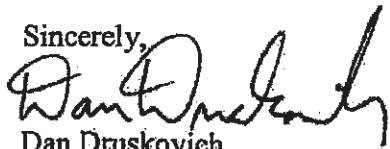
Conditions Precedent:

1. Satisfactory title insurance (Lender's Policy)
2. Satisfactory hazard insurance naming State Savings Bank as mortgagee
3. Satisfactory environmental questionnaire
4. Satisfactory flood hazard certificate
5. Subject to receipt and review of a satisfactory real estate appraisal (loan-to-value not to exceed 80%)
6. Satisfactory Survey
7. Any other information the bank may deem necessary and appropriate

Brad, thank you for our existing deposit relationship and we appreciate this opportunity to extend this financing to Peninsula Township.

Please feel free to contact me with any questions at (231) 943-2546 or ddruskovich@ssbankmi.com.

Sincerely,



Dan Druskovich
Regional President

Peninsula Township - Loan for the Construction of a New Fire Station

	<u>Beginning Loan Balance</u>	<u>Rate</u>	<u>Amortization</u>	<u>Payment</u>	<u>End Loan Balance</u>
Year 1	\$1,100,000	2.875% *	20	\$2,635	\$1,100,000
Years 2-5	\$1,100,000	3.125%	19	\$6,428	\$915,947
Years 6-10	\$915,947	3.50% **	15	\$6,570	\$658,248

* New York Prime minus .375%, floating. (Prime today is 3.25% gives an interest rate of 3.25% - .375% = 2.875%)

** Approximate rate. Fixed interest rate will be adjusted to 325 basis points (3.25%) over the Treasury Constant Maturity at that time with a floor of 3.00% (today this rate is about .27%) so this interest rate would be approximately (.27% + 3.25% = 3.52%) or about 3.50%.

Peninsula Township

Repayment information with some basic assumptions on the bank loan for \$1,100,000.00 to build the new fire station

Assuming \$1,100,000 is fully drawn during the construction period and an interest rate at New York Prime minus .375%, floating (Prime today is 3.25% gives an interest rate of $3.25\% - .375\% = 2.875\%$. The required monthly interest only payments would be approximately \$2,635.00 provided no changes to the loan balance or the rate over the twelve month construction period.

After the construction period and assuming the loan balance is \$1,100,000 the interest rate will be fixed at 3.125% for years 2 – 5 and this will be amortized over the remaining 19 years of the original 20 year amortization period. The monthly principal and interest payment will be approximately \$6,428.00.

The loan balance at the end of year five should be approximately \$915,947.00 provided all payments have been made and no principal has been prepaid. So for years 6 – 10 the fixed interest rate will be adjusted to 325 basis points (3.25%) over the five year Treasury Constant Maturity at that time with a floor of 3.00% (today this rate is about .27%) so this interest rate would be approximately $(.27\% + 3.25\% = 3.52\%)$ or about 3.50%. There would be 15 years of amortization left on the original 20 year amortization period. The monthly principal and interest payment would be approximately \$6,570.00.

The loan balance if not paid in full after year 10 should be approximately \$658,248.00 and that would need to be refinanced with the bank at that time.