

BOARD OF SUPERVISORS
TOWNSHIP OF MIDDLE SMITHFIELD
RESOLUTION #06-2014-1

Attachment B
Transaction Number 2120891



GOVERNMENTAL ENTITY RESOLUTION TO LEASE, PURCHASE AND/OR FINANCE

WHEREAS, the laws of the State of Pennsylvania (the "State") authorize MIDDLE SMITHFIELD TOWNSHIP (the "Governmental Entity"), a duly organized political subdivision, municipal corporation or similar public entity of the State, to purchase, acquire and lease personal property for the benefit of the Governmental Entity and its inhabitants and to enter into any necessary contracts; and

the Governmental Entity wants to lease, purchase and/or finance equipment ("Equipment") from Caterpillar Financial Services Corporation and/or an authorized Caterpillar dealer ("Caterpillar") by entering into that certain Governmental Equipment Lease-Purchase Agreement (the "Agreement") with Caterpillar; and

the form of the Agreement has been presented to the governing body of the Governmental Entity at this meeting.

RESOLVED, that: (i) the Agreement, including all schedules and exhibits attached to the Agreement, is approved in substantially the form presented at the meeting, with any Approved Changes (as defined below), (ii) the Governmental Entity enter into the Agreement with Caterpillar and (iii) the Agreement is adopted as a binding obligation of the Governmental Entity; and

that changes may later be made to the Agreement if the changes are approved by the Governmental Entity's counsel or members of the governing body of the Governmental Entity signing the Agreement (the "Approved Changes") and that the signing of the Agreement and any related documents is conclusive evidence of the approval of the changes; and

that the persons listed below, who are the incumbent officers of the Governmental Entity (the "Authorized Persons"):

| Name (Print or Type) | Title (Print or Type) |
|----------------------|-----------------------|
| Annette Atkinson | Supervisor |
| Michael J. Dwyer | Supervisor |
| Mitchell Marcus | Supervisor |

be, and each is, authorized, directed and empowered, on behalf of the Governmental Entity, to (i) sign and deliver to Caterpillar, and its successors and assigns, the Agreement and any related documents, and (ii) take or cause to be taken all actions he/she deems necessary or advisable to acquire the Equipment, including the signing and delivery of the Agreement and related documents; and

that the Secretary/Clerk of the Governmental Entity is authorized to attest to these resolutions and affix the seal of the Governmental Entity to the Agreement, these resolutions, and any related documents; and

that nothing in these resolutions, the Agreement or any other document imposes a pecuniary liability or charge upon the general credit of the Governmental Entity or against its taxing power, except to the extent that the payments payable under the Agreement are special limited obligations of the Governmental Entity as provided in the Agreement; and

that a breach of these resolutions, the Agreement or any related document will not impose any pecuniary liability upon the Governmental Entity or any charge upon its general credit or against its taxing power, except to the extent that the payments payable under the Agreement are special limited obligations of the Governmental Entity as provided in the Agreement; and

that the authority granted by these resolutions will apply equally and with the same effect to the successors in office of the Authorized Persons; and

that the undersigned's certification of the Authorized Persons' signatures shall be binding on the Governmental Entity.

I, Michele L. Clewell, Township Secretary of MIDDLE SMITHFIELD TOWNSHIP, certify that the resolutions above are a full, true and correct copy of resolutions of the governing body of the Governmental Entity. I also certify that the resolutions were duly and regularly passed and adopted at a meeting of the governing body of the Governmental Entity. I also certify that such meeting was duly and regularly called and held in all respects as required by law, at the Governmental Entity's office. I also certify that at such meeting, a majority of the governing body of the Governmental Entity was present and voted in favor of these resolutions.

I also certify that these resolutions are still in full force and effect and have not been amended or revoked. Finally, I also certify that the signatures above are the signatures of the officers authorized to sign for the Governmental Entity as a result of these resolutions.

IN WITNESS of these resolutions, the officer named below executes this document on behalf of the Governmental Entity.

Signature: Michele L. Clewell
Title: Township Secretary
Date: June 10, 2014



Governmental Equipment Lease-Purchase Agreement
Transaction Number 2284477



1. PARTIES

LESSOR ("we", "us", or "our"):
CATERPILLAR FINANCIAL SERVICES CORPORATION
2120 West End Avenue
Nashville, TN 37203

LESSEE ("you" or "your"):
MIDDLE SMITHFIELD TOWNSHIP
147 MUNICIPAL DRIVE
EAST STROUDSBURG, PA 18302

In reliance on your selection of the equipment described below (each a "Unit"), we have agreed to acquire and lease the Units to you, subject to the terms of this Lease. Until this Lease has been signed by our duly authorized representative, it will constitute an offer by you to enter into this Lease with us on the terms stated herein.

2. DESCRIPTION OF THE UNITS

| DESCRIPTION OF UNITS Whether the Unit is new or used, the model number, the manufacturer, and the model name. | SERIAL/VIN Unique ID number for this Unit. | ANNUAL LEASE PAYMENT This is due per period, as stated below in section 3. | FINAL LEASE PAYMENT | DELIVERY DATE Enter date machine was delivered to you |
|--|---|---|---------------------|--|
| (1) New 262D Caterpillar Skid Steer Loader | DTB00979 | \$15,340.59 | \$15,341.59 | _____ |
| (1) New T-12DT Towmaster TRAILER | | \$7,667.75 | \$7,668.75 | _____ |

TERMS AND CONDITIONS

3. **Lease Payments; Current Expense** You will pay us the lease payments, including the final lease payment set forth above (collectively, the "Lease Payments"). Lease Payments shall be paid by you to us as follows: \$23,008.34 will be paid in arrears and the balance of the Lease Payments is payable in 0 successive annual payments of which the first -1 payments are in the amount of \$23,008.34 each, and the last payment is in the amount of \$23,010.34 plus all other amounts then owing hereunder, with the first Lease Payment due one year after the date that Lessor signs this Lease and subsequent Lease Payments due on a like date of each year thereafter until paid in full. A portion of each Lease Payment constitutes interest and the balance of each Lease Payment is payment of principal. The Lease Payments will be due without demand. You will pay the Lease Payments to us at Caterpillar Financial Services Corporation; PO Box 13834; Newark, NJ 07188-0834 or such other location that we designate in writing. Your obligations, including your obligation to pay the Lease Payments due in any fiscal year, will constitute a current expense of yours for such fiscal year and will not constitute an indebtedness of yours within the meaning of the constitution and laws of the State in which you are located (the "State"). Nothing in this Agreement will constitute a pledge by you of any taxes or other moneys, other than moneys lawfully appropriated from time to time for the payment of the "Payments" (as defined in the last sentence of this Paragraph) owing under this Agreement. You agree that, except as provided in Paragraph 7, your duties and liabilities under this Agreement and any associated documents are absolute and unconditional. Your payment and performance obligations are not subject to cancellation, reduction, or setoff for any reason. You agree to settle all claims, defenses, setoffs, counterclaims and other disputes you may have with the Supplier, the manufacturer of the Unit, or any other third party directly with the Supplier, the manufacturer or the third party, as the case may be. You will not assert, allege or make any such claim, defense, setoff, counterclaim or other dispute against us or with respect to the payments due us under this Agreement. As used in this Agreement, "Payments" will mean the Lease Payments and any other amounts required to be paid by you.

The portion of the Lease Payments constituting principal will bear interest (computed on the basis of actual days elapsed in a 360 day year) at the rate of 2.25% per annum.

4. **Late Charges** If we do not receive a Payment on the date it is due, you will pay to us, on demand, a late payment charge equal to the lesser of five percent (5%) of such Payment or the highest charge allowed by law.

5. **Security Interest** To secure your obligations under this Agreement, you grant us a continuing first priority security interest in each Unit (including any Additional Collateral), including all attachments, accessories and optional features (whether or not installed on such Units) and all substitutions, replacements, additions, and accretions, and the proceeds of all the foregoing, including, but not limited to, proceeds in the form of chattel paper. You authorize the filing of such financing statements and will, at your expense, do any act and execute, acknowledge, deliver, file, register and record any document, which we deem desirable to protect our security interest in each Unit and our rights and benefits under this Agreement. You, at your expense, will protect and defend our security interest in the Units and will keep the Units free and clear of any and all claims, liens, encumbrances and legal processes however and whenever arising.

6. **Disclaimer of Warranties** WE HAVE NOT MADE AND DO NOT MAKE ANY WARRANTY, REPRESENTATION OR COVENANT OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE UNITS. AS TO US, YOUR LEASE AND PURCHASE OF THE UNITS WILL BE ON AN "AS IS" AND "WHERE IS" BASIS AND "WITH ALL FAULTS". Nothing in this Agreement is intended to limit, waive, abridge or otherwise modify any rights, claims, or causes of action that you may have against any person or entity other than us.

7. **Non-Appropriation** You have an immediate need for, and expect to make immediate use of, the Units. This need is not temporary or expected to diminish during the term of this Agreement. To that end, you agree, to the extent permitted by law, to include in your budget for the current and each successive fiscal year during the term of this Agreement, a sufficient amount to permit you to discharge your obligations under this Agreement. Notwithstanding any provision of this Agreement to the contrary, we and you agree that, in the event that prior to the commencement of any of your fiscal years you do not have sufficient funds appropriated to make the Payments



due under this Agreement for such fiscal year, you will have the option of terminating this Agreement as of the date of the commencement of such fiscal year by giving us sixty (60) days prior written notice of your intent to terminate. No later than the last day of the last fiscal year for which appropriations were made for the Payments (the "Return Date"), you will return to us all of the Units, at your sole expense, in accordance with Paragraph 14, and this Agreement will terminate on the Return Date without penalty or expense to you and you will not be obligated to pay the Lease Payments beyond such fiscal year; provided, that you will pay all Payments for which moneys have been appropriated or are otherwise available; and provided further, that you will pay month-to-month rent at the rate set by us for each month or part of any month that you fail to return the Units.

8. Tax Warranty You will, at all times, do and perform all acts and things necessary and within your control to ensure that the interest component of the Lease Payments will, for the purposes of Federal Income taxation, be excluded from our gross income. You will not permit or cause your obligations under this Agreement to be guaranteed by the Federal Government or any branch or Instrumentality of the Federal Government. You will use the Units for the purpose of performing one or more of your governmental functions consistent with the scope of your authority and not in any trade or business carried on by a person other than you. You will report this Agreement to the Internal Revenue Service by filing Form 8038G, 8038GC or 8038, as applicable. Failure to do so will cause this Agreement to lose its tax exempt status. You agree that if the appropriate form is not filed, the interest rate payable under this Agreement will be raised to the equivalent taxable interest rate. If the use, possession or acquisition of the Units is determined to be subject to taxation, you will pay when due all taxes and governmental charges assessed or levied against or with respect to the Units.

9. Assignment You may not, without our prior written consent, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of your right, title and interest in and to this Agreement and/or the Units and/or grant or assign a security interest in this Agreement and/or the Units, in whole or in part. We may not transfer, sell, assign, pledge, hypothecate, or otherwise dispose of our right, title and interest in and to this Agreement and/or the Units and/or grant or assign a security interest in this Agreement and/or the Units, in whole or in part.

10. Indemnity To the extent permitted by law, you assume liability for, agree to and do indemnify, protect and hold harmless us and our employees, officers, directors and agents from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses (including reasonable attorney's fees), of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by you or us), operation, ownership, selection, delivery, storage, leasing or return of any item of Units, regardless of where, how and by whom operated, or any failure on your part to accept the Units or otherwise to perform or comply with any conditions of this Agreement.

11. Insurance; Loss and Damage You bear the entire risk of loss, theft, destruction or damage to the Units from any cause whatsoever. No loss, theft, destruction or damage of the Units will relieve you of the obligation to make Lease Payments or to perform any obligation owing under this Agreement. You agree to keep the Units insured to protect all of our interests, at your expense, for such risks, in such amounts, in such forms and with such companies as we may require, including but not limited to fire and extended coverage insurance, explosion and collision coverage, and personal liability and property damage liability insurance. Any insurance policies relating to loss or damage to the Units will name us as loss payee as our interests may appear and the proceeds may be applied toward the replacement or repair of the Units or the satisfaction of the Payments due under this Agreement. You agree to use, operate and maintain the Units in accordance with all laws, regulations and ordinances and in accordance with the provision of any policies of insurance covering the Units, and will not rent the Units or permit the Units to be used by anyone other than you. You agree to keep the Units in good repair, working order and condition and house the Units in suitable shelter, and to permit us or our assigns to inspect the Units at any time and to otherwise protect our interests in the Units. If any Unit is customarily covered by a maintenance agreement, you will furnish us with a maintenance agreement by a party acceptable to us.

12. Default; Remedies An "Event of Default" will occur if (a) you fail to pay any Payment when due and such failure continues for ten (10) days after the due date for such Payment or (b) you fail to perform or observe any other covenant, condition, or agreement to be performed or observed by you under this Agreement and such failure is not cured within twenty (20) days after written notice of such failure from us. Upon an Event of Default, we will have all rights and remedies available under applicable law. In addition, we may declare all Lease Payments due or to become due during the fiscal year in which the Event of Default occurs to be immediately due and payable by you and/or we may repossess the Units by giving you written notice to deliver the Units to us in the manner provided in Paragraph 14, or in the event you fail to do so within ten (10) days after receipt of such notice, and subject to all applicable laws, we may enter upon your premises and take possession of the Units. Further, if we financed your obligations under any extended warranty agreement such as an Equipment Protection Plan, Extended Service Contract, Extended Warranty, Customer Service Agreement, Total Maintenance and Repair Agreement or similar agreement, we may cancel such extended warranty agreement on your behalf and receive the refund of the extended warranty agreement fees that we financed but had not received from you as of the date of the Event of Default.

13. Miscellaneous This Agreement may not be modified, amended, altered or changed except by a written agreement signed by you and us. In the event any provision of this Agreement is found invalid or unenforceable, the remaining provisions will remain in full force and effect. This Agreement, together with exhibits, constitutes the entire agreement between you and us and supersedes all prior and contemporaneous writings, understandings, agreements, solicitations, documents and representations, expressed or implied. Any terms and conditions of any purchase order or other documents submitted by you in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on us and will not apply to this Agreement. You agree that we may correct patent errors in this Agreement and fill in blanks including, for example, correcting or filling in serial numbers, VIN numbers, and dates. Any notices required to be given under this Agreement will be given to the parties in writing and by certified mail at the address provided in this Agreement, or to such other addresses as each party may substitute by notice to the other, which notice will be effective upon its receipt.

14. Title; Return of Units Notwithstanding our designation as "Lessor", we do not own the Units. Legal title to the Units will be in you so long as an Event of Default has not occurred and you have not exercised your right of non-appropriation. If an Event of Default occurs or if you non-appropriate, full and unencumbered title to the Units will pass to us without the necessity of further action by the parties, and you will have no further interest in the Units. If we are entitled to obtain possession of any Units or if you are obligated at any time to return any Units, then (a) title to the Units will vest in us immediately, and (b) you will, at your expense, promptly deliver the Unit to us properly protected and in the condition required by Section 11. You will deliver the Unit, at our option, (i) to the nearest Caterpillar dealer selling equipment of the same type as the Unit; or (ii) on board a carrier named by us and shipping the Unit, freight collect, to a destination designated by us. If the Unit is not in the condition required by Section 11, you must pay us, on demand, all costs and expenses incurred by us to bring the Unit into the required condition. Until the Units are returned as required above, all terms of this Agreement will remain in full force and effect including, without limitation, your obligation to pay Lease Payments and to insure the Units.

15. Other Documents In connection with the execution of this Agreement, you will cause to be delivered to us (i) a Delivery Certification substantially in the form attached as Attachment A; (ii) either (A) a certified copy of your authorizing resolution substantially in the form attached as Attachment B and a copy of the minutes of the relevant meeting or (B) an opinion of your counsel substantially in the form attached as Attachment C; (iii) a Verification of Insurance substantially in the form attached to this Agreement; (iv) a copy of the signed Form filed with the Internal Revenue Service required in Section 8 above as Attachment D; and (v) any other documents or items required by us.

16. Applicable Law This Agreement will be governed by the laws, excluding the laws relating to the choice of law, of the State in which you are located.

SIGNATURES

LESSOR
CATERPILLAR FINANCIAL SERVICES CORPORATION

Signature _____
Name (print) _____
Title _____
Date _____

LESSEE
MIDDLE SMITHFIELD TOWNSHIP

Signature _____
Name (print) _____
Title _____
Date _____

CUSTOMER INFORMATION VERIFICATION
(Required Document)



In our efforts to continue providing timely customer service, we need your assistance confirming the following information. If any information is incorrect or missing, please note the necessary changes below and return this form with your signed documents. In addition, please review the Data Privacy Notice stated below. Thank you in advance for your cooperation.

Purchase Order # for new contract: _____

| Current Information on file | | Please make corrections here |
|--|---|-------------------------------------|
| Customer Name: | MIDDLE SMITHFIELD TOWNSHIP | |
| Physical Address: | 147 MUNICIPAL DRIVE EAST STROUDSBURG, PA 18302 | |
| Mailing Address: | 147 MUNICIPAL DRIVE EAST STROUDSBURG, PA 18302 | |
| Equipment Location: | 147 MUNICIPAL DRIVE EAST STROUDSBURG, PA 18301, MONROE | |
| Business Phone: | (570)223-8920 | |
| Fed. ID # or SS #: | 246001492 | |
| E-mail Address: | | |
| Accounts Payable Contact Name and Phone: | | |
| Tax Information | | |
| Sales Tax Rate: | 0 | |
| (Please note: Sales Tax Rate, includes all applicable State, County, and City sales tax) | | |
| City Limits | Are you outside the City Limits? Yes <input type="checkbox"/> No <input type="checkbox"/> | |
| Tax Exemption Status: | Please indicate if you are tax exempt. <input type="checkbox"/> Exempt <input type="checkbox"/> Non-Exempt | |
| | If you are tax exempt - please enclose a current tax exemption certificate to be returned with your documents - Not needed by CFSC if dealer (SC) | |

The information above has been reviewed and is accurate to the best of my knowledge with exception of any corrections as noted.

***Should the above changes apply to ALL of your contracts, OR for this contract ONLY?**

ALL CONTRACTS
 THIS CONTRACT ONLY

THE ABOVE INFORMATION HAS BEEN REVIEWED AND IS ACCURATE TO THE BEST OF MY KNOWLEDGE WITH EXCEPTION OF ANY CORRECTIONS AS NOTED.

Customer Initials

Data Privacy Notice:

This notice pertains to personal data supplied in connection with your credit application. By providing your information to Caterpillar Inc. or any of its subsidiaries or affiliates, including Caterpillar Financial Services Corporation (collectively "Caterpillar"), you are agreeing that the information may be shared among Caterpillar and its partners and dealers, and used to process your applications for credit and other orders and to improve or market Caterpillar products and services. If you have any questions pertaining to this notice, please contact the Data Privacy Coordinator at 615-341-8222.



**Verification of Insurance****Lessee:****LESSOR (we):**

CATERPILLAR FINANCIAL SERVICES CORPORATION
2120 West End Avenue
Nashville, TN 37203-0001

LESSEE (you):

MIDDLE SMITHFIELD TOWNSHIP
147 MUNICIPAL DRIVE
EAST STROUDSBURG, PA 18302

Subject: Insurance Coverage Requirements

1. The above-named Lessor and Lessee have entered into Governmental Equipment Lease-Purchase Agreement Transaction Number 2284477 (the "Agreement"). In accordance with the Agreement, Lessee has instructed the insurance agent named below:

Company: _____

Address: _____

Phone No: _____

Agent's Name: _____

to issue:

a. All Risk Physical Damage Insurance on the Equipment (as defined in the Agreement) evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming the Lessor and/or its Assignee, as loss payee.

The Coverage Required: the aggregate purchase price for the Equipment.

b. Public Liability Insurance evidenced by a Certificate of Insurance, naming the Lessor and/or its Assignee as Additional Insured, with a minimum of \$1,000,000 per occurrence is required.

2. Proof of insurance coverage will be provided to Lessor or its Assignee prior to the time the Equipment is delivered to Lessee.

| Model # | Equipment Description | Serial # | VIN # | Value Including Tax |
|-----------|-------------------------------|----------|-------|---------------------|
| 1.262D | Caterpillar Skid Steer Loader | DTB00979 | | \$47,207.00 |
| 2. T-12DT | Towmaster TRAILER | | | \$7,500.00 |

SIGNATURES**LESSEE****MIDDLE SMITHFIELD TOWNSHIP**

Signature _____

Name (print) _____

Title _____

Date _____





Meeting Minutes

CLEVELAND BROTHERS EQUIPMENT CO., INC.
4565 William Penn Highway
Murrysville PA 15668

Reference:

MIDDLE SMITHFIELD TOWNSHIP

We are requesting a copy of the minutes of the appropriation meeting during which the funds for this deal were allocated.

A copy of this information is necessary to complete the documentation package and to fund the deal. Your ability to return a complete package will ensure timely payment to you.

Thank you for your assistance.

CATERPILLAR FINANCIAL SERVICES CORPORATION
DOCUMENTATION DEPARTMENT



This Purchase Agreement is between CLEVELAND BROTHERS EQUIPMENT CO., INC. ("Vendor") and Caterpillar Financial Services Corporation ("Cat Financial"). Vendor agrees to sell to Cat Financial and Cat Financial agrees to buy from Vendor the equipment described below (the "Unit(s)"), subject to the terms and conditions set forth below and on the reverse side hereof.

| <u>Description of Unit(s)</u> | <u>Serial#</u> | <u>VIN#</u> | <u>Freight</u> | <u>Total Price</u> |
|--|----------------|-------------|----------------|--------------------|
| (1) 262D New Caterpillar Skid Steer Loader | DTB00979 | | \$0.00 | \$14,704.00 |
| (1) T-12DT New Towmaster TRAILER | | | \$0.00 | \$7,500.00 |

| | | |
|----------------------------|-----------------------------|-------------|
| Lessee: | Subtotal | \$22,204.00 |
| MIDDLE SMITHFIELD TOWNSHIP | Federal Excise Tax | 0.00 |
| 147 MUNICIPAL DRIVE | Other Tax | 0.00 |
| EAST STROUDSBURG PA 18302 | Total Purchase Price | \$22,204.00 |
| | Unit(s) Delivery Point: | |
| | 147 MUNICIPAL DRIVE, | |
| | EAST STROUDSBURG, PA 18301, | |
| | MONROE | |

See next page for additional terms and conditions.

SIGNATURES

CATERPILLAR FINANCIAL SERVICES CORPORATION

Signature _____

Name (print) _____

Title _____

Date _____

CLEVELAND BROTHERS EQUIPMENT CO., INC.

Signature _____

Name (print) _____

Title _____

Date _____



41077720542014742400

1. The lessee named on the front hereof (the "Lessee") has selected the Unit(s), instructed Cat Financial to purchase the Unit(s) from Vendor, and agreed to lease the Unit(s) from Cat Financial.
2. Cat Financial (or its assignee) will have no obligation hereunder (and any sums previously paid by Cat Financial to Vendor with respect to the Unit(s) shall be promptly refunded to Cat Financial) unless (a) all of the conditions set forth in Section 1.3 (if a master lease agreement) or Section 1 (if a non master lease agreement) of the lease with the Lessee covering the Unit(s) have been timely fulfilled and (b) the Lessee has not communicated to Cat Financial (or its assignee), prior to "Delivery" (as hereinafter defined) of the Unit(s), an Intent not to lease the Unit(s) from Cat Financial. All conditions specified in this paragraph shall be deemed timely fulfilled unless prior to Delivery of the Unit(s), Cat Financial (or its assignee) shall notify Vendor to the contrary in writing, which shall include fax or email. "Delivery" shall mean the later of the time (a) Cat Financial executes this Purchase Agreement or (b) the Lessee or its agent takes control and/or physical possession of the Unit(s).
3. Upon timely satisfaction of the conditions specified in Paragraph 2 above, ownership, title and risk of loss to the Unit(s) shall transfer to Cat Financial (or its assignee) upon Delivery of the Unit(s).
4. Vendor warrants that (a) upon Delivery of the Unit(s), Cat Financial (or its assignee) will be the owner of and have absolute title to the Unit(s) free and clear of all claims, liens, security interests and encumbrances and the description of the Unit(s) set forth herein is correct and (b) the Unit Transaction Price set forth on the front hereof for each unit of Unit(s) leased under a lease is equal to such Unit(s)'s fair market value.
5. Vendor shall forever warrant and defend the title of the Unit(s) to Cat Financial (or its assignee), its successors and assigns, against any person claiming an interest in the Unit(s).
6. Provided that no event of default exists under any agreement between Lessee and Cat Financial and upon timely satisfaction of the conditions specified in Paragraph 2 above, and unless otherwise agreed to in this Purchase Agreement, Cat Financial (or its assignee) shall pay Vendor the total Purchase Price set forth on the front hereof for the Unit(s) within three business days following (a) the receipt and approval by Cat Financial of all documentation deemed necessary by Cat Financial in connection with the lease transaction and (b) all credit conditions have been satisfied.
7. Vendor shall deliver the Unit(s) to the Lessee at the delivery point set forth on the front hereof.
8. This Purchase Agreement may be assigned by Cat Financial to a third party. Vendor hereby consents to any such assignment.
9. This Purchase Agreement shall become effective only upon execution by Cat Financial.

Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales
► Under Internal Revenue Code section 149(e)

OMB No. 1645-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority

Check box if Amended Return

| | |
|--|---|
| 1 Issuer's name | 2 Issuer's employer identification number |
| 3 Number and street (or P.O. box if mail is not delivered to street address) Room/suite | |
| 4 City, town, or post office, state, and ZIP code | |
| 5 Report number (For IRS Use Only) 5 | |
| 6 Name and title of officer or legal representative whom the IRS may call for more information 7 Telephone number of officer or legal representative () | |

Part II Description of Obligations Check one: a single issue or a consolidated return .

8a Issue price of obligation(s) (see instructions).

b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) ► / /

9 Amount of the reported obligation(s) on line 8a that is:

- a For leases for vehicles
- b For leases for office equipment
- c For leases for real property
- d For leases for other (see instructions)
- e For bank loans for vehicles
- f For bank loans for office equipment
- g For bank loans for real property
- h For bank loans for other (see instructions)
- i Used to refund prior issue(s)
- j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)
- k Other

10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(II) (small issuer exception), check this box ►

11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) ►

12 Vendor's or bank's name:

13 Vendor's or bank's employer identification number:

| | |
|----|--|
| 8a | |
| 9a | |
| 9b | |
| 9c | |
| 9d | |
| 9e | |
| 9f | |
| 9g | |
| 9h | |
| 9i | |
| 9j | |
| 9k | |

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign
Here

| | | | | |
|------------------------------------|--|------------------------------|--|------------------------|
| Issuer's authorized representative | Date | Type or print name and title | | |
| Paid Preparer's Use Only | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN |
| | Firm's name (or yours if self-employed), address, and ZIP code | | EIN | Phone no. () |

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that

an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

To file a separate return for a single issue, file Form 8038-GC on or before the 16th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev.

Proc. 2002-48, 2002-2 C.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under Section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See Where To File below.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty In Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Form 8038-GC Receipt

Acknowledgement

If you wish to request an acknowledgement receipt of this return by the IRS you must provide the following:

Caterpillar Financial Services Corporation

Dealer Information Letter

DEALER

| | | |
|--|--------------------|------------|
| CLEVELAND BROTHERS EQUIPMENT CO., INC. | Quote number | 416-0792 |
| Sales person | Fax number | |
| Dealer contact | Quote date | 06/04/2014 |
| Telephone | Quote time | 7:40:25 |

CUSTOMER

Name: MIDDLE SMITHFIELD TOWNSHIP

| | | | |
|----------------|---------------------|-----------------------|-----------|
| Address | 147 MUNICIPAL DRIVE | Good if: | |
| City | EAST STROUDSBURG | Acknowledged by | Aug-28-14 |
| State | PA | Funded by | Aug-28-14 |
| Zip code | 18302 | | |
| County | MONROE | | |

FINANCE PROPOSAL

This is Caterpillar Financial Services Corporation's confirmation of the following finance proposal. This is a proposal only and is subject to credit approval, execution of documentation, and execution and approval of the application survey.

| | | | |
|--------------------------|--------------|-------------------------|---------|
| Financing type | GOVERNMENTAL | Quoted by | b153sjb |
| Number of payments | 1 Annual | Report created by | b153sjb |
| Payments | in Arrears | | |

| | Model | Ann. Hours | Qty | Sale Price | Down Payment | Amount Financed | Payment | Balloon | Fixed Rate |
|-----|--------|---------------|-----|------------|--------------|--------------------|-----------|---------|---------------|
| New | 262D | 500 | 1 | 47,207.00 | 32,503.00 | 15,004.00 | 15,340.59 | 1.00 | 2.2500 |
| New | T-12DT | 500 | 1 | 7,500.00 | 0.00 | 7,500.00 | 7,667.75 | 1.00 | 2.2500 |
| | | | 2 | 54,707.00 | 32,503.00 | 22,504.00 | 23,008.34 | 2.00 | 2.2500 |

-10,000.00 TRADE

\$22,503.00

Special Conditions:

262D

Serial Number - DTB00979, Model Year - 2014, Standard Environment; Major Attachments-Ride Control, Air Conditioning, Cab, Blades/Buckets/Rippers-General Purpose Bucket, Pallet Forks 48" with Carriage

T-12DT

Model Year - 2014, Standard Environment; Major Attachments-No Screeb; Blades/Buckets/Rippers-No Blade

| | Model | Insurance | Payment w/Insurance |
|-----|--------|-----------|------------------------|
| New | 262D | 697.48 | 16,038.07 |
| New | T-12DT | 0.00 | 7,667.75 |
| | | 697.48 | 23,705.82 |

NEED Down PAYMENT
Check for \$22,503.00

MADE OUT TO:

CLEVELAND BROTHERS
EQUIPMENT Co., Inc.

* NOTE: Financial Merchandising Program cost withheld from dealer funding.

Financial Merchandising Program(s):

Asset #1 FPD-14-OTHR

Asset #2 FPD-14-OTHR

RATES

| | Model | Qty | Caterpillar Financial standard | Dealer requested |
|-----|--------|-----|--------------------------------|------------------|
| New | 262D | 1 | 3.2000% | 2.2500% |
| New | T-12DT | 1 | 3.2000% | 2.2500% |

Thank you for selecting Caterpillar products and for allowing Caterpillar Financial Services Corporation to serve your financing needs. Included in this document package are all of the forms that will be needed for standard tax exempt lease purchase transactions. The forms have been designed to be clear, concise and user friendly. We have also provided a brief explanation of the purpose of each form. If you wish to discuss any of the forms or have any questions about any aspect of this transaction, we encourage you to contact your Caterpillar Dealer or Caterpillar Financial Services Corporation at 1-868-263-3791 Option # 5.

A. Governmental Equipment Lease-Purchase Agreement. The Governmental Lease-Purchase Agreement contains the terms that govern each transaction between us. It is the standard Caterpillar Financial Services Corporation tax exempt lease-purchase agreement, and provides that we will lease to you the equipment described therein pursuant to a full payout amortization schedule. A new Governmental Equipment Lease-Purchase Agreement will have to be signed in connection with each transaction.

B. Lessee's Authorizing Resolution. The Authorizing Resolution is evidence you have taken the necessary governing body actions to approve the Governmental Equipment Lease-Purchase Agreement. Although the authorizing instrument is often a resolution, it may also take other forms such as an ordinance. We are agreeable to using your customary or standard form provided it contains specific approval for the lease-purchase agreement, designates persons who are authorized to sign on your behalf and either approves the document forms or delegates this authority to a named official.

C. Verification of Insurance. The Certificate of Insurance is intended to supply information regarding the insurance coverage for the equipment being lease-purchased. You will need to supply the requested information to us so we can verify coverage.

D. Opinion of Counsel. An opinion of counsel is required in connection with each Governmental Equipment Lease-Purchase Agreement. The opinion is intended to confirm that you have complied with all open meeting laws, publication and notice requirements, procedural rules for governing body meetings, and any other relevant state or local government statutes, ordinances, rules or regulations. We would be unable to confirm compliance with these laws and regulations ourselves absent long delays and higher costs so we rely upon the opinion of your attorney since he/she may have been involved in the process to approve our transaction and is an expert in the laws and regulations to which you are subject. The opinion also confirms that you are an entity eligible to issue tax-exempt obligations and that the Governmental Equipment Lease-Purchase Agreement will be treated as tax-exempt as is your obligation to ensure that you have complied with relevant tax law.

E. Form of 8038G or GC. Form 8038 is required by the Internal Revenue Service in order to monitor the amount of tax-exempt obligations issued. You have to execute a Form 8038 for each Governmental Equipment Lease-Purchase Agreement. Whether a Form 8038 G or GC is required depends on the original principal amount of the Governmental Equipment Lease-Purchase Agreement. If the original principal amount is less than \$100,000 Form 8038GC is filed with the IRS. If the original principal amount is \$100,000 or more Form 8038G is filed with the IRS. Choose the appropriate 8038 form and complete according to IRS guidelines. Contact your TM or Sales Support Representative for assistance.

IRS Form 8038G

<http://www.irs.gov/pub/irs-pdf/f8038g.pdf>

IRS Form 8038GC

<http://www.irs.gov/pub/irs-pdf/f8038gc.pdf>

This Explanation of Contents is prepared as an accommodation to the parties named herein. It is intended as an example of some of the documents that Caterpillar Financial Services Corporation, in its reasonable judgment, may require and is not intended to constitute legal advice. Please engage and use your own legal counsel. We understand that the laws of the various states are different so nothing herein shall be construed as a warranty or representation that the documents listed herein are the only documents that may be required in any particular transaction or that any particular transaction, if documented in accordance with this Explanation of Contents, will be a valid, binding and enforceable obligation enforceable against the parties named herein in accordance with the terms of the documents named herein.

DOCUMENT CHECKLIST (GOVERNMENTAL LEASE)
Transaction Number 2284477 Quote Number 4160792



These documents were prepared especially for:

MIDDLE SMITHFIELD TOWNSHIP
147 MUNICIPAL DRIVE
EAST STROUDSBURG, PA 18302

Dealer: CLEVELAND BROTHERS EQUIPMENT CO., INC., B160

Date: 06/04/2014 Time: 7:42 AM

Comments:

| Customer Executed Documents | Comments |
|--|----------|
| <input type="checkbox"/> Lease Purchase Document | _____ |
| <input type="checkbox"/> Delivery Certification | _____ |
| <input type="checkbox"/> Insurance Verification | _____ |
| <input type="checkbox"/> 8038G or 8038GC | _____ |
| <input type="checkbox"/> Advance Payment (cross out if N/A) | _____ |
| <input type="checkbox"/> Customer Information Verification | _____ |
| <input type="checkbox"/> Tax Exemption Certificate | _____ |
| <input type="checkbox"/> Any necessary Riders/Amendments | _____ |
| <input type="checkbox"/> Lessee's Resolution + Minutes of Meeting OR | _____ |
| <input type="checkbox"/> Opinion of Lessee's Counsel | _____ |
| <input type="checkbox"/> Copy of Driver's License (Sole Proprietorships and Individuals) | _____ |

| Dealer Executed Documents | Comments |
|--|----------|
| <input type="checkbox"/> Purchase Agreement | _____ |
| <input type="checkbox"/> Dealer Invoice | _____ |
| <input type="checkbox"/> All Credit Conditions Met | _____ |

**If any of these documents are altered, or if the Buyer wishes to add or delete documents, please contact your CFSC Credit Analyst to obtain acceptance of any and all changes.*



4160792 06/04/2014 7:42 AM CT