

South Coast AQMD
Prop 1B Early Grant Goods Movement Emission Reduction Program
Grant Number G07GMLP1

Financial/Other Data Required for Truck Lease-to-Own Programs

1. Who would own the new trucks and be the lessor?
Owner: City National Bank (CNB)
Lessor: City National Bank
2. Requested bond funding per truck:
\$50,000
3. Total State funding per truck:
\$50,000 (In addition, \$40,000 local agency match fund and \$32,000 federal tax credit per truck will be provided)
4. Anticipated truck options (makes, models, fuels):
2009 Sterling LT8500; Cummins Westport ISL-G; LNG fuel
5. Anticipated truck purchase price (including any volume discounts) and sales tax:
\$157,764.76
6. Term of lease – 3 years, 5 years or 7 years:
7 Years
7. Interest rate for each term offered:
Not to exceed 6%.
8. Fees – what kind and amount and who pays (truck owner/lessor):
\$400.00, application fees paid by Lessee.
9. Which fees are included in calculating the APR:
None
10. Effective interest rate (Annual Percentage Rate - APR) for each term:
Not to exceed 6%.
11. Overhead or administrative cost and how determined (such as a fixed dollar amount or percentage of program cost, or per vehicle charge):
None
12. Estimated monthly payment based on lease term and truck options:
\$395.12 per month
13. Dollar amount (residual value or buyout) equipment owner has to pay at end of lease to take ownership and how determined:
\$11,832.36 (7.5% of the purchase price)

14. Total dollars to be paid by lessee to take ownership of truck over the course of the lease (monthly payments, any fees, any residual/buyout), based on lease term:
\$45,422.44
15. Ability to pay off lease early with or without penalty:
None
16. Prepayment penalty if pay off early and how calculate:
Not applicable
17. Fees/penalties for late payments and default (type and amount):
5% late payment penalty.
18. Any non-Program limitations on operation such as annual or excessive mileage:
For each mile in excess of 50,000 miles per year, an excess mileage charge of 6¢ shall be assessed.
19. Source of old trucks to be scrapped (lessor's fleet? Individual lessee to trade in old truck to participate?):
Goods movement truck previously operated in the AQMD region during the past two years.
20. Mechanism to include applications to replace specific old trucks with new lease-to-own trucks in the competitive process for bond funds:
Meetings were conducted with contractors operating within California. Approximately 170 expressed interest and the company assisted them by guiding them through the process to apply for the funding on a first come basis. It is understood that only 132 will be selected due to the competitive nature of the program.
21. Mechanism to have both lessor and lessee sign contract with local agency for bond funds – or otherwise be jointly and severally obligated to fulfill the conditions of that contract:
In accordance with the agreement between the SCAQMD and CNB, CNB is obligated to enforce the terms of the equipment lease between CNB and the lessee. In accordance with the equipment lease between CNB and the lessee, including its supporting Equipment Usage and Return Conditions Rider, the lessee is obligated to fulfill the conditions of the contract.
22. Mechanism to transfer lease from initial lessee to second lessee in case of default (and obligate second lessee under the bond contract):
The agreement between the SCAQMD and CNB and the equipment lease between CNB and the lessee, including its supporting Equipment Usage and Return Conditions Rider, provide for the substitution of a new lessee in place of a defaulting lessee. Both agreements make it clear that the new lessee will be obligated to fulfill the conditions of the contract.

Note: local agencies awarded bond funding that includes truck lease-to-own programs will need to provide a copy of the sample contract and lease agreement to ARB for review prior to receiving funding.