

LEASOURCE FINANCIAL SERVICES, INC.

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MUNICIPAL LEASE DOCUMENTATION

The municipal lease documents themselves usually include all of the following:

- **Lease agreement**
- **Equipment schedule**
- **Payment schedule**
- **Acceptance Certificate** certifying that the property has been delivered, tested and accepted
- **Essential Use Certificate** describing the purpose, intended use and need for the equipment as essential to the municipality's operations
- **Opinion of the Municipality's Legal Counsel** on the authority and legal status of the municipality to enter into a lease, the validity of the lease as a binding obligation, and the fact that the lease has been duly authorized and executed. An important function of legal counsel is to ensure that the documents are properly structured so that the lease payments are "obligations" under federal tax law (and thus tax free), but not "debt" under state and local law (so that bond election regulations aren't triggered).
- **A resolution of the municipality's governing body authorizing or approving the transaction**
- **Incumbency Certificate** stating that the municipal officials signing the contract do hold office, are duly authorized to sign, and that the signatures and seals on the documents are authentic.
- **Insurance Certificates** for fire, property and other insurance required on the equipment to protect the lessor's security interest

LEASE HOTLINE

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