RESOLUTION NO. R2011-02

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF CUMBERLAND ENTITLED A RESOLUTION TO APPROVE THE FINANCING OR REIMBURSEMENT BY THE CITY OF COSTS OF THE ACQUISITION OF CERTAIN VEHICLES PURSUANT TO A LEASE PURCHASE AGREEMENT TO BE ENTERED INTO BETWEEN THE CITY AND MANUFACTURERS AND TRADERS TRUST COMPANY, IN A PRINCIPAL AMOUNT NOT TO EXCEED $329,550.00, PURSUANT TO THE LEASE PURCHASE AGREEMENT AND THE ESCROW AGREEMENT DESCRIBED HEREIN; PROVIDING THAT THE CITY'S OBLIGATION TO MAKE RENTAL PAYMENTS UNDER THE LEASE PURCHASE AGREEMENT SHALL BE SUBJECT TO APPROPRIATION IN EACH FISCAL YEAR AND THAT THE LEASE PURCHASE AGREEMENT SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY LIMITATION; AUTHORIZING, DIRECTING AND EMPOWERING THE MAYOR OR THE CITY ADMINISTRATOR, ON BEHALF OF THE CITY, TO NEGOTIATE, APPROVE, EXECUTE AND DELIVER THE LEASE PURCHASE AGREEMENT AND THE ESCROW AGREEMENT DESCRIBED HEREIN, SUBJECT TO CERTAIN LIMITATIONS DESCRIBED HEREIN; MAKING OR PROVIDING FOR THE MAKING OF CERTAIN COVENANTS AND REPRESENTATIONS WITH RESPECT TO THE TAX-EXEMPT STATUS OF THE INTEREST PORTION OF THE RENTAL PAYMENTS DUE UNDER THE LEASE PURCHASE AGREEMENT; AUTHORIZING, EMPOWERING AND DIRECTING OFFICIALS AND EMPLOYEES

OF THE CITY TO TAKE ANY AND ALL ACTION NECESSARY TO COMPLETE AND CLOSE THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; DESIGNATING THE LEASE PURCHASE AGREEMENT AS A QUALIFIED TAX-EXEMPT OBLIGATION FOR PURPOSES OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND OTHERWISE GENERALLY RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

RECITALS

1. Mayor and City Council of Cumberland, a municipal corporation of the State of Maryland (the "City"), intends to undertake the acquisition of an ambulance and three police vehicles (the "Equipment") and desires to finance such acquisition through a lease-purchase arrangement.

2. Section 82B of the City Charter allows the financing of the acquisition of real, personal or mixed property through capital leases, including lease-purchase arrangements.

3. The City received proposals from several banking institutions for the lease-purchase financing of the Equipment.

4. Manufacturers and Traders Trust Company ("M&T Bank") offered the most beneficial terms for the acquisition of the Equipment through a Lease Purchase Agreement (the "Lease Purchase Agreement"), which Lease Purchase Agreement is a capital lease contemplated by Charter Section 82B.

5. M&T Bank will lease the Equipment to the City pursuant to the Lease Purchase Agreement and the City will make rental payments denominated into principal and interest portions (the "Rental Payments") in order to acquire full and unencumbered title to the Equipment.

6. The City's obligation to make the Rental Payments under the Lease Purchase Agreement shall be subject to appropriation of funds sufficient for such purpose in each fiscal year and the City's obligations under the Lease Purchase Agreement shall never constitute an indebtedness or a charge against the general credit or taxing powers of the City within the meaning of any constitutional or charter provision or statutory limitation.

7. In the event of a failure by the City to appropriate sufficient funds or in the event of certain defaults under the Lease Purchase Agreement, M&T Bank shall be entitled to assume possession of the Equipment and sell or lease the same, among other remedies.

8. M&T Bank (or any affiliate thereof) (the "Escrow Agent") and the City will enter into an escrow letter or escrow agreement (the "Escrow Agreement") in order to provide for the deposit by M&T Bank with the Escrow Agent of the principal amount available under the Lease Purchase Agreement to pay or reimburse costs of the acquisition of the Equipment, the investment of such funds and the disbursement of such invested funds.

9. The City has determined to adopt this Resolution in order to approve and provide for the lease-purchase financing and acquisition of the Equipment as described in these Recitals.

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF CUMBERLAND:

SECTION 1. The Recitals hereto constitute an integral part of this Resolution and are incorporated herein by reference. Capitalized terms used in the Sections of this Resolution and not defined therein shall have the meanings given to such terms in the Recitals hereto.

SECTION 2. Pursuant to the authority of Article 23A of the Annotated Code of Maryland, as amended, and the Charter of the City, the City hereby determines to finance or reimburse all or a portion of the costs of the acquisition of the Equipment through the lease-purchase transactions described in this Resolution, provided that, the maximum principal amount to be financed through

such mechanism shall not exceed Three Hundred Twenty-nine Thousand Five Hundred Fifty Dollars ($329,550.00). The Mayor or the City Administrator, on behalf of the City, acting on his own, is each hereby authorized, empowered and directed to approve the final principal amount of the lease-purchase financing, subject to the limitation set forth in this Section 2, such approval to be conclusively evidenced by the Mayor's or the City Administrator's execution and delivery of the Lease Purchase Agreement.

SECTION 3. The fixed per annum interest rate used to calculate the interest portion of the Rental Payments will be determined three days prior to closing on the Lease Purchase Agreement and will be based on M&T Bank's "five (5) year Cost of Funds". ""Five (5) year Cost of Funds" means the most recent yield on United States Treasury Obligations adjusted to a constant like-term maturity in effect three (3) business days prior to the closing date as published by the Board of Governors of the Federal Reserve Statistical Release H.15 (519), or by such other quoting service, index or commonly available source utilized by M&T Bank, plus the ask side of the like-term swap spread in effect three (3) business days prior to the closing date as set forth in Bloomberg., L.P., or by such other quoting service, index or commonly available source utilized by M&T Bank. As of the date of M&T Bank's proposal to the City dated February 1, 2011, such interest rate would have been 2.724% per annum based on M&T Bank's five (5) year Cost of Funds. On March 8, 2011, M&T Bank advised that, if the Lease Purchase Agreement were to close on March 11, 2011, the interest rate would be 2.855% based on M&T Bank's five (5) year Cost of Funds. The actual interest rate used to calculate the interest portion of the Rental Payments will be determined based on M&T Bank's five (5) year Cost of Funds and may be more or less than 2.855%. The Mayor or the City Administrator, on behalf of the City, acting on his own, is each hereby authorized, empowered and directed to approve the actual interest rate used to calculate the interest portion of

the Rental Payments based on M&T Bank's five (5) year Cost of Funds as described in this Section 3 (subject to any increase in such stated rate or required additional payments in the event the interest portion of the Rental Payments is determined to be includable in gross income of the holder of the Lease Purchase Agreement for federal income tax purposes as the City may agree to in such Lease Purchase Agreement), such approval of the stated interest rate and any increases in such interest rate and/or required additional payments to be conclusively evidenced by the Mayor's or the City Administrator's execution and delivery of the Lease Purchase Agreement. As provided in M&T Bank's proposal dated February 1, 2011, as supplemented by M&T Bank's extension letter dated March 8, 2011, which are attached hereto collectively as Exhibit A (the "M&T Proposal"), the Rental Payments shall be amortized on a roughly level debt service basis.

SECTION 4. (a) The City's right to prepay the Rental Payments shall be as described in the Proposal attached hereto as Exhibit A or shall be such terms more beneficial to the City as the Mayor, the City Administrator and/or the Comptroller is able to negotiate on behalf of the City, the approval of any such more beneficial terms to be conclusively evidenced by the Mayor's or the City Administrator's execution and delivery of the Lease Purchase Agreement.

(b) The City shall obtain full and unencumbered title to the Equipment at the end of the term of the Lease Purchase Agreement, either upon payment in full of the Rental Payments or payment at such time of a nominal additional amount, as shall be agreed to by the Mayor or the City Administrator on behalf of the City, such approval to be conclusively evidenced by the Mayor's or the City Administrator's execution and delivery of the Lease Purchase Agreement.

(c) The Lease Purchase Agreement shall contain such other terms and conditions as are described or provided for in the Proposal attached hereto as Exhibit A, or such

terms and conditions as are more beneficial to the City that the Mayor, the City Administrator and/or the Comptroller is able to negotiate on behalf of the City, the approval of such terms and conditions to be conclusively evidenced by the Mayor's or the City Administrator's execution and delivery of the Lease Purchase Agreement.

SECTION 5. The City's obligation to make the Rental Payments due under the Lease Purchase Agreement shall be subject to annual appropriation of sufficient funds for such purpose in each fiscal year during the term of the Lease Purchase Agreement. THE LEASE PURCHASE AGREEMENT SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY LIMITATION.

SECTION 6. The Mayor or the City Administrator, on behalf of the City, acting on his own, is each hereby authorized to negotiate, approve, execute and deliver the Lease Purchase Agreement and the Escrow Agreement (the "Transaction Documents"); provided that, the executed Lease Purchase Agreement may provide for a term of no more than five (5) years from the date thereof and shall not contain any terms in contravention of the parameters set forth in Section 2 hereof. The City agrees to abide by and perform the covenants and agreements set forth in the Transaction Documents as though such covenants and agreements were set forth in full in this Resolution.

SECTION 7. (a) The Mayor and/or the Treasurer shall be the official or officials of the City responsible for the issuance of the Lease Purchase Agreement within the meaning of Section 1.148-2(b)(2) of the Arbitrage Regulations (defined below). The Mayor and/or the Treasurer also shall be the official or officials of the City responsible for the execution and delivery

(on the date of the issuance of the Lease Purchase Agreement) of a certificate of the City (the "Section 148 Certificate") that complies with the requirements of Section 148 of the Code and the applicable regulations thereunder (the "Arbitrage Regulations"), and such officials are hereby authorized and directed to execute and deliver the Section 148 Certificate to counsel rendering an opinion on the tax-exempt status of the interest portion of the Rental Payments on the date of the issuance of the Lease Purchase Agreement.

(b) The City shall set forth in the Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Lease Purchase Agreement or of any monies, securities or other obligations to the credit of any account which may be deemed to be proceeds of the Lease Purchase Agreement pursuant to Section 148 or the Arbitrage Regulations (collectively, the "Proceeds"). The City covenants with the registered owner or owners from time to time of the Lease Purchase Agreement that the facts, estimates and circumstances set forth in the Section 148 Certificate will be based on the City's reasonable expectations on the date of issuance of the Lease Purchase Agreement and will be, to the best of the certifying officials' knowledge, true and correct as of that date.

(c) The City covenants with the registered owner or owners from time to time of the Lease Purchase Agreement that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Proceeds that would cause the Lease Purchase Agreement to be an "arbitrage bond" within the meaning of Section 148 and the Arbitrage Regulations, and that it will comply with those provisions of Section 148 and the Arbitrage Regulations as may be applicable to the Lease Purchase Agreement on its date of issuance and which may subsequently lawfully be made applicable to the Lease Purchase Agreement as long as the Rental Payments remain outstanding and unpaid.

SECTION 8. The City specifically covenants that it will comply with the provisions of the Code and the Arbitrage Regulations applicable to the Lease Purchase Agreement, including, without limitation, compliance with provisions regarding the timing of the expenditure of the Proceeds, the use of the Proceeds and the Equipment financed with the Proceeds, the restriction of investment yields, the filing of information with the Internal Revenue Service, and the rebate of certain earnings resulting from the investment of the Proceeds or payments in lieu thereof. The City further covenants that it shall make such use of the Proceeds, regulate the investment of the Proceeds and take such other and further actions as may be required to maintain the exemption from federal income taxation of the interest portion of the Rental Payments. All officials, officers, employees and agents of the City are hereby authorized and directed to provide such certifications of facts and estimates regarding the amount and use of the Proceeds as may be necessary or appropriate.

SECTION 9. As provided in the Proposal, the Transaction Documents shall be executed and delivered on or before March 31, 2011, unless M&T Bank, in its sole discretion, agrees to a further extension of the closing date. The Mayor, the City Administrator, the Treasurer, the Director of Administrative Services, the Comptroller, the City Clerk, and all other appropriate officials and employees of the City, are expressly authorized, empowered and directed to take any and all action necessary to complete and close the transactions contemplated by the Transaction Documents and to negotiate, approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith, including any documents, certificates or instruments required by M&T Bank or the Escrow Agent or their counsel in connection with the transactions contemplated by the Transaction Documents, including (without limitation) a Form 8038-G, any required financing statements or title documentation, delivery and acceptance

certificates, essential use certificates and insurance certificates, and to pay any fees or costs in connection therewith.

SECTION 10. The City hereby designates the Lease Purchase Agreement a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (relating to the exception from the disallowance of the deduction for that portion of a financial institution's interest expense which is allocable to tax-exempt interest), and, in connection therewith, represents and certifies that (i) the Lease Purchase Agreement is not a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (other than a "qualified 501(c)(3) bond" within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended), (ii) the reasonably anticipated amount of tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) which will be issued by the City (and all on-behalf-of issuers and subordinate entities of the City) during calendar year 2011 does not exceed Ten Million Dollars ($10,000,000), and (iii) not more than Ten Million Dollars ($10,000,000) of obligations issued by the City (and all on-behalf-of issuers and subordinate entities of the City) during calendar year 2011, including the Lease Purchase Agreement, have been or will be designated qualified tax-exempt obligations by the City.

SECTION 11. The acceptance, execution and delivery of the Proposal or any component thereof (and any further extension thereof) by the Mayor, the City Administrator, the Director of Administrative Services or the Comptroller is hereby authorized and approved and, to the extent any component of the Proposal has been accepted, executed and delivered on the City's behalf prior to the adoption of this Resolution, such acceptance, execution and delivery is hereby ratified and confirmed.

SECTION 12. This Resolution shall become effective immediately upon its adoption.

MAYOR AND CITY COUNCIL OF
CUMBERLAND

(SEAL)

Brian K. Grim, Mayor

ATTEST:

Marjorie A. Eirich
City Clerk

Introduced: March 15, 2011

Adopted: March 15, 2011

Effective: March 15, 2011

#136896;10002.047

EXHIBIT A

PROPOSAL

[See Attached]

2/1/2011
4:00 P.M

February 1, 2011

Mr. Joseph D. Urban
Comptroller
City of Cumberland
57 North Liberty Street
Cumberland, MD 21501

Re: Financing for Ambulance and Police Vehicles

Dear Joe,

Manufacturers and Traders Trust Company ("M&T Bank") is pleased to outline the following lease proposal for the City of Cumberland. The proposed terms and conditions herein are provided for discussion purposes only. They do not constitute an offer, agreement or commitment to lend and are confidential. The terms and conditions upon which M&T Bank might extend credit to Lessee are subject to change. In addition, they are dependent on satisfactory completion of due diligence, Credit Committee approval, review and completion of legal documentation, and other such terms and conditions as may be determined by M&T Bank and its legal counsel.

LESSOR:	M&T Bank (its nominees, assigns or affiliates)	
LESSEE:	Mayor and City Council of Cumberland	
ORIGINAL EQUIPMENT & COST:	(1) Ambulance and (3) Police Vehicles	Approximately $329,550.00
FACILITY:	Municipal Lease Purchase Agreement – Tax-Exempt	
	This will be a non-cancelable, net lease transaction whereby maintenance, insurance, applicable taxes, and all items of a similar nature will be the responsibility of the Lessee. Provisions of the lease will require that Lessor be named Lender/Loss Payee on the insurance coverage.	
TERMS & PAYMENT:	Lease Term:	5 Years
	Closing Date:	2/16/2011 to 2/28/2011 (anticipated)
	Payment Frequency:	Quarterly, Semi-Annual or Annual

1310 West Chester Pike, Havertown, PA 19083
Phone: (610) 449-3944 • Fax: (610) 449-3945

Payment Structure:	In Arrears
Interest Rate:	2.724%
Payment Schedule:	See attached sample Amortization Schedules

ESCROW:

As required, the Lease will be funded into an interest bearing account held by M&T Bank at the closing date. This will lock the interest rate at closing and protect against any future rate increases. During the construction period, with Lessee's approval, payments to the vendor(s) will be made from this escrow account as needed. Interest earned on this account will accrue to the benefit of Lessee.

BASIS OF RENTAL FACTORS:

The interest rates quoted in this proposal are based on the Bank's five (5) year Cost of Funds (COF) as of January 31, 2011. The actual rate will be fixed three days prior to the closing and may be indexed to this cost of funds at discretion of Lessor.

Cost of Funds shall mean the most recent yield on United States Treasury Obligations adjusted to a constant like-term maturity in effect three (3) business days prior to closing date as published by the Board of Governors of the Federal Reserve Statistical Release H.15 (519), or by such other quoting service, index or commonly available source utilized by the Bank, plus the ask side of the like-term swap spread in effect three (3) business days prior to closing date as set forth in Bloomberg, L.P., or by such other quoting service, index or commonly available source utilized by the Bank.

TAX INDEMNIFICATION:

Maryland

Lessee will provide to Lessor the appropriate State of Maryland Exempt Organization certificate. This proposal assumes that this transaction qualifies as tax exempt, bank eligible pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. This offer is subject to Lessor obtaining bond counsel tax opinion, at Lessee's expense stating the aforementioned qualifications.

NOTES:

Lease Closing: Understanding that time is of the essence, Lessor will make every reasonable attempt to close the lease in an expedited fashion in the time frame indicated in the Lessee's letter of solicitation for financing. Lessor will require certain information to complete normal credit approval, a resolution from Lessee authorizing the financing, etc., the receipt of which may impact the time needed to ultimately document and fund the transaction.

Pre-Payment: Provided there are no events of default and that the lease is current, Lessee may prepay all, but not less than all, of the lease on any payment date. The standard M&T Lease/Purchase Agreement contains a yield maintenance provision for pre-payment of principal.

Late Fees: M&T lease documentation contains provisions allowing for late fees to be charged in the event a Lessee fails to make a payment when due.

References: M&T Bank is actively involved in providing tax-exempt municipal leasing to our public sector clients and includes the City of Cumberland as a lease client. M&T Bank has funded over 1,000 leases in the past four years with an aggregate funding amount of well over 500 million dollars. Of this total, over 100 lease schedules were municipal leases with an aggregate funding amount of over 250 million dollars. References including contact information will be furnished upon request.

DOCUMENTATION & APPLICABLE FEES:	All documentation will be provided by Lessor and must be satisfactory to all parties. Lessee will pay to Lessor a documentation fee equal to $250. No escrow fees, acquisition fees, disposition fees or security deposit will be charged to this account.
END OF LEASE OPTIONS:	Provided the Lessee has met all the terms and conditions of the lease agreement, the Lessee at lease expiration will have clear title of equipment upon payment of all amounts due under the lease.
EARLY TERMINATION:	Pursuant to General Municipal Law the lease will allow for early termination for reasons of non-appropriation.
CONDITIONS:	This proposal is For Discussion Purposes Only. Final approval, if any, may only be granted upon receipt of all information deemed appropriate by M&T Bank and in accordance with Lessor's loan, legal and other applicable policies. This proposal is subject to Lessor's final credit and investment approval.
DEPOSITORY ACCOUNTS:	This proposal is contingent upon Lessee and Lessor having a mutually acceptable depository relationship.
ACCEPTANCE:	The Lessee may acknowledge its approval of this lease proposal by signing and returning this letter. This proposal shall expire March 15, 2011 unless extended by Lessor.

Thank you for allowing us the opportunity to present this proposal. Please contact me at (610) 449-3944 if you have any questions in reference to this proposal.

Sincerely,

Paul V.W. Black
Vice President – Municipal Leasing
Phone: 610-449-3944
Fax: 610-449-3945
Email: pvblack@mtb.com

PROPOSAL ACCEPTED THIS _____ DAY OF _____, 2011

By: _____
Mayor and City Council of Cumberland

Encl: Amort Schedules, Sample Resolution

CC: Dave Worthing, M&T Bank

M&T Bank
– Sample Amortization Schedule –

City of Cumberland - Quarterly

Compound Period: Quarterly

Nominal Annual Rate: 2.724 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	02/28/2011	329,550.00	1		
2	Payment	06/01/2011	17,682.36	20	Quarterly	03/01/2016

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	02/28/2011				329,550.00
1	06/01/2011	17,682.36	2,269.00	15,413.36	314,136.64
2	09/01/2011	17,682.36	2,139.27	15,543.09	298,593.55
3	12/01/2011	17,682.36	2,033.42	15,648.94	282,944.61
2011 Totals		53,047.08	6,441.69	46,605.39	
4	03/01/2012	17,682.36	1,926.85	15,755.51	267,189.10
5	06/01/2012	17,682.36	1,819.56	15,862.80	251,326.30
6	09/01/2012	17,682.36	1,711.53	15,970.83	235,355.47
7	12/01/2012	17,682.36	1,602.77	16,079.59	219,275.88
2012 Totals		70,729.44	7,060.71	63,668.73	
8	03/01/2013	17,682.36	1,493.27	16,189.09	203,086.79
9	06/01/2013	17,682.36	1,383.02	16,299.34	186,787.45
10	09/01/2013	17,682.36	1,272.02	16,410.34	170,377.11
11	12/01/2013	17,682.36	1,160.27	16,522.09	153,855.02
2013 Totals		70,729.44	5,308.58	65,420.86	
12	03/01/2014	17,682.36	1,047.75	16,634.61	137,220.41
13	06/01/2014	17,682.36	934.47	16,747.89	120,472.52
14	09/01/2014	17,682.36	820.42	16,861.94	103,610.58
15	12/01/2014	17,682.36	705.59	16,976.77	86,633.81
2014 Totals		70,729.44	3,508.23	67,221.21	
16	03/01/2015	17,682.36	589.98	17,092.38	69,541.43
17	06/01/2015	17,682.36	473.58	17,208.78	52,332.65
18	09/01/2015	17,682.36	356.39	17,325.97	35,006.68
19	12/01/2015	17,682.36	238.40	17,443.96	17,562.72
2015 Totals		70,729.44	1,658.35	69,071.09	
20	03/01/2016	17,682.36	119.64	17,562.72	0.00
2016 Totals		17,682.36	119.64	17,562.72	
Grand Totals		353,647.20	24,097.20	329,550.00	

M&T Bank
– Sample Amortization Schedule –

City of Cumberland - Semi Annual

Compound Period: Semiannual

Nominal Annual Rate: 2.724 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	02/28/2011	329,550.00	1		
2	Payment	09/01/2011	35,476.39	10	Semiannual	03/01/2016

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	02/28/2011				329,550.00
1	09/01/2011	35,476.39	4,513.40	30,962.99	298,587.01
2011 Totals		35,476.39	4,513.40	30,962.99	
2	03/01/2012	35,476.39	4,066.76	31,409.63	267,177.38
3	09/01/2012	35,476.39	3,638.96	31,837.43	235,339.95
2012 Totals		70,952.78	7,705.72	63,247.06	
4	03/01/2013	35,476.39	3,205.33	32,271.06	203,068.89
5	09/01/2013	35,476.39	2,765.80	32,710.59	170,358.30
2013 Totals		70,952.78	5,971.13	64,981.65	
6	03/01/2014	35,476.39	2,320.28	33,156.11	137,202.19
7	09/01/2014	35,476.39	1,868.69	33,607.70	103,594.49
2014 Totals		70,952.78	4,188.97	66,763.81	
8	03/01/2015	35,476.39	1,410.96	34,065.43	69,529.06
9	09/01/2015	35,476.39	946.99	34,529.40	34,999.66
2015 Totals		70,952.78	2,357.95	68,594.83	
10	03/01/2016	35,476.39	476.73	34,999.66	0.00
2016 Totals		35,476.39	476.73	34,999.66	
Grand Totals		354,763.90	25,213.90	329,550.00	

M&T Bank

– Sample Amortization Schedule –

City of Cumberland - Annual

Compound Period: Annual

Nominal Annual Rate: 2.724 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	02/28/2011	329,550.00	1		
2	Payment	03/01/2012	71,397.97	5	Annual	03/01/2016

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	02/28/2011				329,550.00
2011 Totals		0.00	0.00	0.00	
1	03/01/2012	71,397.97	9,002.21	62,395.76	267,154.24
2012 Totals		71,397.97	9,002.21	62,395.76	
2	03/01/2013	71,397.97	7,277.28	64,120.69	203,033.55
2013 Totals		71,397.97	7,277.28	64,120.69	
3	03/01/2014	71,397.97	5,530.63	65,867.34	137,166.21
2014 Totals		71,397.97	5,530.63	65,867.34	
4	03/01/2015	71,397.97	3,736.41	67,661.56	69,504.65
2015 Totals		71,397.97	3,736.41	67,661.56	
5	03/01/2016	71,397.97	1,893.32	69,504.65	0.00
2016 Totals		71,397.97	1,893.32	69,504.65	
Grand Totals		356,989.85	27,439.85	329,550.00	

-SAMPLE-

RESOLUTION

The following Resolution was offered for adoption by Trustee____*(name)*_____:

Resolved, by the Board of Trustees of the ___*(City of, County of, School District of, etc.)*,___ to approve the purchase and lease of a _____*(equipment description)*_____ from *(name of vendor)* to be used for ___*(brief description of uses of equipment)*_____ The cost of this equipment is $__*(equipment cost)*_____, which the __*(City/County/School District, etc.)* will lease through a taxable lease through M&T Bank. At the conclusion of the lease the *(City/County/School District, etc.)*___ will own the equipment for $1.

Motion to adopt the foregoing Resolution was seconded by Trustee ___*(name)*_____, and the roll call for adoption was as follows:

Trustee _____ -Aye
Trustee _____ -Aye
Trustee _____ -Aye
Trustee _____ -Aye

M&T Bank
Understanding what's important.®

March 8, 2011

Mr. Joseph D. Urban
Comptroller
City of Cumberland
57 North Liberty Street
Cumberland, MD 21501

Re: Financing for Ambulance and Police Vehicles

Dear Joe,

Please let this letter serve as notice that the lease proposal to provide financing as outlined in our original proposal letter dated February 1, 2011 has been extended to be valid thru March 31, 2011. All original terms and conditions apply.

Sincerely,

Paul V.W. Black
Vice President – Municipal Leasing
Phone: 610-449-3944
Fax: 610-449-3945
Email: pvblack@mtb.com

CC: Dave Worthing, M&T Bank