

**City of Seward, NE**  
**Tuesday, March 17, 2015**  
**Regular Session**

**Item G7**

**CONSIDERATION OF A RESOLUTION AUTHORIZING THE  
LEASE/PURCHASE AND/OR FINANCE OF EQUIPMENT  
THROUGH CATERPILLAR FINANCIAL SERVICES  
CORPORATION - John Hughes**

**Administrative Report:** The request is to lease one new 420 F Caterpillar Backhoe Loader at an annual cost of \$12,923.98 with a buyout at the end of the 60-month lease of \$51,765.

**This item was included in the Capital Projects Plan to be paid one-half each by Water and Wastewater (\$16,000 per year total)**

**Following discussion, a motion to approve the resolution authorizing the lease agreement and the Mayor to execute said lease would be in order.**

**Staff Contact:**

Councilmember introduced the following resolution:

RESOLUTION NO.

WHEREAS, the laws of the State of Nebraska (the "State") authorize City of Seward (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.

BE IT THEREFORE 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"):

Joshua Eickmeier, Mayor

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 City 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 obligation 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.

Councilmember moved, seconded by Councilmember , that the resolution be adopted. Upon vote, the following Councilmembers voted Aye:. Nay:. Absent:.

The Mayor declared the resolution adopted.

Dated: March 17, 2015

THE CITY OF SEWARD, NEBRASKA

ATTEST:

\_\_\_\_\_  
Joshua Eickmeier, Mayor

\_\_\_\_\_  
Bonnie Otte  
Assistant Administrator/  
Clerk-Treasurer/  
Budget & Human Resource Director

(SEAL)

**These documents were prepared especially for:**

**CITY OF SEWARD  
 537 MAIN STREET  
 SEWARD, NE 68434**

**Dealer:** NEBRASKA MACHINERY COMPANY, E330  
**Date:** 02/27/2015 **Time:** 4:35 PM  
**Comments:** Thank you!

Customer Executed Documents	Comments
<input type="checkbox"/> Tax Lease	_____
<input type="checkbox"/> Application Survey	_____
<input type="checkbox"/> Delivery Supplement	_____
<input type="checkbox"/> Insurance- Liability and Physical Damage	_____
<input type="checkbox"/> Advance Payment (cross out if N/A)	_____
<input type="checkbox"/> Guaranty of Payment (cross out if N/A)	_____
<input type="checkbox"/> Tax Exemption Certif. (cross out if N/A)	_____
<input type="checkbox"/> Title applied for (cross out if N/A)	_____
<input type="checkbox"/> Customer Information Verification	_____
<input type="checkbox"/> Any necessary Riders/Amendments	_____
<input type="checkbox"/> Copy of Driver's License (Sole Proprietorships and Individuals)	_____
<input type="checkbox"/> Other	_____

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.*



**1. PARTIES**

LESSOR ("we", "us" or "our"):

LESSEE ("you" or "your"):

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

**CITY OF SEWARD**  
537 MAIN STREET  
SEWARD, NE 68434

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 UNIT(s) 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 RENT This is due per period, as stated below in Section 4.	OPTION PURCHASE PRICE Payment at end of lease for purchase of Unit (see Section 16).	MAX ANNUAL HOURS/ MILEAGE Maximum annual usage of Unit (see Application Survey).	DELIVERY DATE Enter date machine was delivered to you.
1 New 420F Caterpillar Backhoe Loader		\$12,923.98	\$51,765.00 (Cat Value Option)	500	

LOCATION OF UNITS: 537 MAIN ST  
SEWARD, NE 68434, SEWARD

You acknowledge that the Units described above were delivered to you in good working condition and that you accepted them on the date indicated.  
You agree with us that the Option Purchase Price, if set forth above and identified as a Cat Value Option, is not less than the reasonably expected Residual Value (as defined in Section 10) of such Unit.  
The Application Survey ("Application Survey") submitted by you to us for each Unit is made a part of and incorporated into this Lease.

**TERMS AND CONDITIONS**

- Lease Term** The Lease Term will start on the date we sign the Lease and will continue for 60 months, unless earlier terminated or canceled as permitted herein.
- Rent** You will pay us the Annual Rent beginning on the date we sign this Lease and on the same date of each year thereafter for the entire Lease Term. Annual Rent will be due without demand. You will also pay us all other amounts payable under the terms of this Lease and under any other document executed in connection with this Lease, including each Application Survey (the "Lease Documents") ("Other Payments", and together with the Monthly Rent, collectively, the "Rent"). You will pay the Rent to us at Caterpillar Financial Services Corporation; PO Box 100647; Pasadena, CA 91189-0647 or such other location that we designate in writing. **You agree this Lease constitutes a non-cancelable net lease. You also agree that your duties and liabilities under this Lease and the other Lease Documents are absolute and unconditional. Your payment and performance obligations are not subject to cancelation, reduction, or setoff for any reason. You agree to settle all claims, defenses, setoffs, counterclaims and other disputes you may have with the Supplier (as defined below), the manufacturer of each 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 Lease.**
- Late Charges** If we do not receive a Rent payment on the date it is due, you will pay us, on demand, a late payment charge equal to five percent (5%) of the late Rent payment.
- Disclaimer of Warranties** You have selected each Unit based upon your own judgment. You understand that we are not the manufacturer or the seller of the Units. WE MAKE NO WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THIS LEASE OR TO ANY UNIT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH UNIT IS LEASED "AS IS, WHERE IS." WE MAKE NO WARRANTIES AS TO THE QUALITY OF MATERIALS OR WORKMANSHIP OR THAT THE MATERIALS OR WORKMANSHIP COMPLY WITH THE TERMS OF ANY PURCHASE ORDER OR AGREEMENT. WE EXPRESSLY DISCLAIM, AND YOU WAIVE ALL OTHER WARRANTIES AND CLAIMS EXPRESS OR IMPLIED,



ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY UNIT OR THIS LEASE, INCLUDING WITHOUT LIMITATION: (A) ANY IMPLIED WARRANTY THAT ANY UNIT IS MERCHANTABLE; (B) ANY IMPLIED WARRANTY THAT ANY UNIT IS FIT FOR A PARTICULAR PURPOSE; (C) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE; (D) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY IN TORT; AND (E) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY FOR LOSS OF OR DAMAGE TO ANY UNIT, FOR LOSS OF USE, REVENUE, OR PROFIT WITH RESPECT TO ANY UNIT, FOR ANY LIABILITY TO ANY THIRD PARTY, OR FOR ANY OTHER INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING STRICT OR ABSOLUTE LIABILITY IN TORT. Nothing in this Lease takes away any rights you may have against any other parties (such as the Supplier or the manufacturer of any Unit). You agree to pursue only these third parties for any and all claims concerning any Unit except as to ownership and title. You are entitled to all the promises and warranties made by the Supplier to us with respect to the Units, and you may contact the Supplier in order to receive a description of those promises and warranties.

**7. Possession, Use, and Maintenance** (a) At your own expense, you will use and keep the Units in good operating order and condition and at least in accordance with Supplier's and manufacturer's recommendations and all maintenance and operating manuals and service agreements, and in accordance with all applicable laws and regulations, including the rules or limits on idling, fleet average or site based exhaust emissions, or operational limitations, for which you have sole responsibility for compliance. (b) You will not abandon a Unit. (c) You will not sublease a Unit or permit the use of a Unit by anyone other than you. (d) You will not change the use of a Unit from that specified in the Application Survey, without our prior written consent. (e) You will not change the Location of a Unit from that specified above without providing us with prompt written notice of such change. (f) You will not remove a Unit from the United States. (g) You will not sell, assign, transfer, create or allow to exist a lien, claim, security interest, or encumbrance on any of your rights under this Lease or with respect to a Unit. Each Unit is and will remain personal property regardless of its use or manner of attachment to realty. We have the right (but not the obligation) to inspect each Unit and its maintenance records. We also have the right to observe the use of each Unit and determine its hours of usage. You will not alter a Unit or affix any accessory or equipment to a Unit if doing so will impair its originally intended function or use or reduce its value. You will not make any "non-severable" addition (as defined for federal income tax purposes) to a Unit without our prior written consent. If added to a Unit, the following will immediately become our property: (i) replacement parts; (ii) parts essential to the operation of the Unit; and (iii) parts that cannot be detached from the Unit without interfering with the operation of the Unit or adversely affecting the value or utility the Unit would have had without the addition. All such parts will be deemed incorporated in the Unit and will be subject to the terms of this Lease as if originally leased under this Lease. If an Event of Default has occurred and is continuing, all parts, accessories, and equipment affixed to a Unit will become our property.

**8. Taxes** Rent includes all taxes arising from, or due in connection with, this Lease or the Units. You will pay when due, or promptly reimburse us for payment of, all taxes (other than our federal, state, or local net income taxes) imposed on a Unit, or the Rent. You will also pay or reimburse us for all (i) license and registration fees, (ii) fines, penalties, interest, or additions to any tax, (iii) charges similar to those stated in clauses (i) and (ii) that are imposed in connection with the ownership, possession, use, or lease of a Unit from the time we purchase the Unit until it is returned to us or purchased by you. You will remain responsible for the payment, or reimbursement of, any such charges, regardless of when we receive notice of the charge. You will prepare and file, in a manner satisfactory to us, all reports or returns required with respect to a Unit. You will reimburse us in full for any amounts that we pay or advance without regard to early payment discounts. We may estimate the amount of, and bill you periodically in advance for, any charge. You will be responsible, however, for any difference between the estimated amount and the actual amount. Except as provided in this section, you agree that we are entitled to receive any and all federal, state, or local tax credits and benefits, if any, applicable to a Unit. We are entitled to income tax depreciation deduction for each Unit based on the use as described in the Application Survey.

**9. Tax Indemnity** This Lease is entered into on the basis that we are entitled to claim certain depreciation deductions on the Units in accordance with Section 168(a) of the Internal Revenue Code of 1986, as amended, (the "Code") based upon the applicable depreciation method and recovery period specified in Code Sections 168(b) and (c), and to similar state and local income tax deductions (collectively, the "Tax Benefits"). Our classification of a Unit under Code Section 168(e), our determination of the applicable depreciation method and recovery period, and our claim for an entitlement to the Tax Benefits are based solely upon your representations in Section 7 and the applicable Application Survey. If we do not receive nor retain all of the Tax Benefits anticipated with respect to any Unit (a "Tax Loss"), because (a) of a change in the US federal income tax rate, (b) you move any Unit outside the United States, or (c) you use any Unit for a different purpose than stated in the applicable Application Survey; you will pay us, within thirty (30) days after we provide you written notice of such Tax Loss, an amount which, in our opinion, will cause our net after-tax rate of return over the Lease Term in respect to the Unit to equal the net after-tax rate of return we would have realized if such Tax Loss had not occurred. For purposes of this section, we may be included in any affiliated group (within the meaning of Section 1504 of the Code) of which we are a member for any year in which a consolidated or combined income tax return is filed for the affiliated group.

**10. Loss or Damage** (a) You bear the risk of loss or damage to a Unit from the time we purchase the Unit (or from the beginning of the Lease Term, if earlier) until the Unit is returned to us or purchased by you in accordance with this Lease. Should any loss or damage occur, you will not be released from your obligations under the Lease or any other Lease Document. (b) You will provide prompt, written notice to us of any Total Loss (as defined below) or any material damage to any Unit. Any such notice will include any damage reports provided to any governmental authority, an insurer, or the Supplier, and any documents pertaining to the repair of such damage, including copies of work orders and all invoices for related charges. (c) Without limiting any other term in this Lease, you will promptly repair all damage that does not constitute a Total Loss, to restore the Unit to the condition required by this Lease. (d) A Unit has incurred a "Total Loss" upon: (i) the disappearance, theft or destruction or any other total loss of such Unit; (ii) damage to the Unit that is uneconomical to repair; or (iii) the condemnation, confiscation, or other taking of title to or use of a Unit or the imposition of any lien on such Unit by any governmental authority. On the next Rent due date following a Total Loss (a "Loss Payment Date"), you will pay us the Monthly Rent due on that date plus the Casualty Loss Value of the Unit with respect to which the Total Loss has occurred (the "Lost Units"), together with any Other Payments due with respect to the Lost Units. Until such payment is made, you will continue to pay us the Monthly Rent on the due dates set forth in Section 4. Upon making the full payment required on the Loss Payment Date, your obligation to pay future Monthly Rent on the Lost Units will terminate, but you will remain liable for all Monthly Rent and all Other Payments on any remaining Units. Furthermore, upon receipt of the full payment required on the Loss Payment Date, we convey to you all of our right, title, and interest in the Lost Units, "AS IS WHERE IS", but subject to the requirements of any third party insurance carrier in order to settle an insurance claim. "Residual Value" means the future fair market value of a Unit at the end of the Lease Term (determined at Lease inception). "Casualty Loss Value" means the sum of: (i) the discounted present value of all unpaid future Rent for the Lost Units; (ii) the discounted present value of the Lost Unit's Residual Value as determined by us; and (iii) all other amounts then due under this Lease with respect to the Lost Units (including all Other Payments then owing and unpaid). If the Total Loss occurs after the final Rent due date of the Lease Term, the Casualty Loss Value will be determined as of the last Monthly Rent due date during the Lease Term. (e) We are not required to pursue any claim against any person in connection with a Total Loss or other loss or damage. (f) If we receive a payment under an insurance policy required under this Lease in connection with any Total Loss or other loss or damage to a Unit, and such payment is both unconditional and indefeasible, then provided you have complied with the applicable provisions of this section, we will either (i) ) if the payment results from a Total Loss, send you proceeds up to an amount equal to the Casualty Loss

Value you previously paid us, or credit the proceeds against any amounts you owe us or (ii) if the payment results from repairs made pursuant to Section 10(c), send you proceeds up to an amount equal to the amount of your actually incurred costs of repair.

**11. Waiver and Indemnity** You release and agree to indemnify, defend, and keep harmless, us (including any assignee of ours) and our directors, officers, agents and employees (each, an "Indemnitee"), from and against any and all Claims (defined below) (other than those directly resulting from the actual gross negligence or willful misconduct of the Indemnitee). To meet this obligation, you will pay, on a net after-tax basis, or otherwise discharge such Claims, when and as they become due. We will give you prompt notice of a Claim. You are entitled to control the defense of or to settle a Claim, so long as: (a) no Event of Default has occurred and is then continuing; (b) you are financially capable of satisfying your obligations under this section; and (c) we approve your proposed defense counsel. "Claims" means all claims, allegations, judgments, settlements, suits, actions, damages (whether incidental, consequential or direct), demands (for compensation, indemnification, reimbursement or otherwise), losses, penalties, fines, liabilities (including strict liability), and charges that we incur or for which we are or may be responsible, in the nature of interest, liens, and costs (including attorneys' fees and disbursements and any other legal or non-legal expenses of investigation or defense of any Claim, whether or not the Claim is ultimately defeated, or enforcing the rights, remedies, or indemnities provided for hereunder, or otherwise available at law or in equity to us), of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, by or against any person. Claims include any of the foregoing arising from: (i) a Lease Document; (ii) a Unit, including the contents and any regulated or hazardous substances at any time contained in a Unit or emitted from a Unit, (iii) the premises at which any Unit may be located from time to time; (iv) the ordering, acquisition, delivery, installation, or rejection of a Unit; (v) the possession of a Unit or any property to which the Unit may be attached from time to time; (vi) the maintenance, use, condition, ownership or operation of any Unit, during the Lease Term; (vii) the existence of a latent or other defect (whether or not discoverable by you or us) with respect to a Unit; (viii) any Claim in tort for negligence or strict liability in relation to a Unit; (ix) any Claim for patent, trademark or copyright infringement in relation to a Unit; (x) the Total Loss or damage, return, surrender, sale, or other disposition of any Unit or any part thereof; or (xi) any Claim involving or alleging environmental damage, or any criminal or terrorist act, relating in any way to a Unit. To the extent necessary under law or regulation, in order to eliminate liability for us, we transfer and you accept the transfer from us of any and all liability associated with exhaust emissions in connection with the Units. If any Claim is made against you or an Indemnitee, the party receiving notice of the Claim will promptly notify the other. If the party receiving notice of the Claim fails to notify the other, however, your obligations are still in effect. You agree to be responsible for all costs and expenses, including reasonable attorneys' fees, incurred by us or our directors, officers, employees, agents, or assigns in defending such claims or in enforcing this section. Under no condition or cause of action will we be liable for any loss of actual or anticipated business or profits or any special, indirect, or consequential damages.

**12. Insurance** You, at your expense, must keep each Unit insured with a commercial insurance policy for our benefit. This insurance must include physical damage insurance that will protect each Unit against all risks for an amount at least equal to the then-applicable Casualty Loss Value. You will also maintain commercial general liability insurance (including product and broad form contractual liability) covering each Unit for at least \$1,000,000 combined coverage for bodily injury and property damage per occurrence. All insurance must be in a form and with companies approved by us. The physical damage insurance shall specify you as named insured and us as loss payee, and the general liability policy shall specify you as named insured and us as additional insured. The insurance shall be primary, without the right of contribution from any insurance carried by us. You must promptly notify us of any occurrence that may become the basis of a claim. You must also provide us with all requested pertinent data. Upon demand, you must promptly deliver to us evidence of insurance coverage.

**13. Events of Default** Each of the following is an event of default ("Event of Default"): (a) You fail to make a payment when due. (b) A representation or warranty made to us in connection with this Lease is incorrect or misleading. (c) You fail to observe or perform a covenant, agreement, or warranty and the failure continues for ten days after written notice to you. (d) A default occurs under any other agreement between you or a guarantor of this Lease (each a "Guarantor") and us or an affiliate of ours. (e) You, or a Guarantor, cease to do business, die, become insolvent, make an assignment for the benefit of creditors or file a petition or action under a bankruptcy, reorganization, insolvency or moratorium law, or a law for the relief of, or relating to, debtors. (f) Any filing of an involuntary petition under a bankruptcy statute against you or a Guarantor, or appointment of a receiver, trustee, custodian or similar official to take possession of your properties or those of a Guarantor, unless the petition or appointment ceases to be in effect within thirty days after filing or appointment. (g) There is a material adverse change in your, or a Guarantor's, financial condition, business operations or prospects. (h) There is a termination, breach, or repudiation of a Guarantor's guaranty.

**14. Remedies** (a) If an Event of Default occurs, we will have the rights and remedies provided by this Lease and under the Uniform Commercial Code ("UCC") and any other law. Among these rights and remedies are to: (i) proceed at law or in equity, to enforce specifically your performance or to recover damages; (ii) declare this Lease in default, and cancel this Lease or otherwise terminate your right to use any Unit and your other rights, but not your obligations, (iii) require you to assemble Units and make them available to us at a place we designate; (iv) enter premises where a Unit may be located and take immediate possession of such Unit and remove (or disable in place) such Unit (and any unattached parts) without notice, liability, or legal process; (v) use your premises for storage without liability; (vi) sell or lease any of the Units, whether or not in our possession, at public or private sale, with or without notice to you, and apply or retain the net proceeds of such disposition in accordance with this Lease; (vii) enforce any or all of the preceding remedies with respect to any related collateral, and apply any deposit or other cash collateral, or any proceeds of any such collateral, at any time to reduce any amounts you owe us; (viii) demand and recover from you all Liquidated Damages (as defined below) and all Other Payments whenever they are due; and (ix) if we financed your obligations under a warranty agreement such as an Equipment Protection Plan, Customer Service Agreement, or similar agreement, we may cancel the agreement on your behalf and receive the refund of the fees that we financed but had not received from you as of the date of the Event of Default. As used herein, "Liquidated Damages" means the liquidated damages (all of which, you hereby acknowledge, are damages to be paid in lieu of future Monthly Rent and expected Residual Values and are reasonable in light of the anticipated harm arising by reason of an Event of Default, and are not a penalty) described in the first sentence of parts (i) or (ii) of Section 14(b) below, depending upon the recovery and disposition of the Units.

(b) If an Event of Default occurs and:

(i) we recover a Unit and dispose of it by a lease or elect not to dispose of the Unit after recovery, you will pay us on demand an amount equal to the *sum* of (A) any accrued and unpaid Rent as of the date we recover the Unit, *plus* (B) the present value as of such date of the total Monthly Rent for the then remaining Lease Term, *minus* (C) either (1) the present value, as of the commencement date of any substantially similar re-lease of the Unit, of the re-lease rent payable to us for the period, commencing on such commencement date, which is comparable to the then remaining Lease Term or (2) the present value of the "market rent" for such Unit (as computed pursuant to Article 2A of the UCC ("Article 2A")) in the continental United States as of the date on which we have a reasonable opportunity to remarket the Unit for the period, commencing on such date, which is comparable to the then remaining Lease Term, as applicable; provided, however, you acknowledge that if we are unable after a reasonable effort to dispose of the Unit at a reasonable price and pursuant to other reasonable terms, or the circumstances reasonably indicate that

such an effort will be unavailing, the "market rent" in such event will be deemed to be \$0.00, but in the event that we do eventually re-lease or otherwise dispose of the Unit, we will apply the net proceeds of such disposition, to the extent received in good and indefeasible funds, as a credit or reimbursement, as applicable, in a manner consistent with the terms of this Lease and the applicable provisions of Article 2A. Any amounts discounted to present value, shall be discounted at the rate of three percent (3%) per annum, compounded annually;

(ii) you fail to return a Unit in the manner and condition required by this Lease, or we recover and sell the Unit, you will pay to us on demand an amount calculated as the Casualty Loss Value of the Unit (determined as of the next Monthly Rent payment date after the date of the Event of Default), together with all costs and expenses (as defined below), less a credit for any disposition proceeds, if applicable pursuant to the application provisions in the next sentence. If we demand the Liquidated Damages under this part (ii) and recover and sell the Unit, we will apply any proceeds received in good and indefeasible funds: first, to pay all costs and expenses not already paid; second, to pay us an amount equal to any unpaid Rent due and payable, together with the Liquidated Damage amounts specified in this part (ii), to the extent not previously paid; third, to pay us any interest accruing on the amounts covered by the preceding clauses, plus late charges, from and after the date the same becomes due, through the date of payment; fourth, to pay us an amount equal to any remaining obligations that you owe us under this Lease.

The remedies provided to us are cumulative and in addition to all other remedies at law or in equity. You will remain liable for any deficiency and we will retain any excess after our exercise of these remedies. To the extent you are entitled to a refund from us, you agree we have the right to offset any obligation that you have with us or our affiliates with such refund.

**15. Return of Unit** On expiration of the Lease Term or if we demand possession of a Unit pursuant to the terms of the Lease, you will, at your expense, promptly deliver the Unit to us properly protected and in the condition required by Section 7 and the applicable Application Survey. You will deliver the Unit, at our option, (a) to the nearest Caterpillar dealer selling equipment of the same type as the Unit; or (b) 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 7 and the applicable Application Survey, you must pay us, on demand, all costs and expenses incurred by us to bring the Unit into the required condition. You are obligated to pay holdover rent in the amount equal to 1/30th of the Monthly Rent plus any other costs and expenses for each day following the end of the Lease Term on any Unit that is not returned or purchased pursuant to the terms of this Lease.

**16. Purchase Option** At the expiration of the Lease, if no Event of Default has occurred and is continuing, you may choose to purchase any Unit for the Option Purchase Price set forth on the front of this Lease if this Lease includes an Option Purchase Price. In order to exercise a purchase option, you must send written notice to us at least sixty (60) days prior to the end of the Lease Term. Upon receipt of the Option Purchase Price and all other amounts owing under the Lease, plus any taxes or our other costs and expenses arising from the sale of the Unit or the delivery of the bill of sale, we will deliver to you, upon request, a bill of sale without warranties except that the Unit is free of all encumbrances of any person claiming through us. You agree to purchase the Unit **"AS IS, WHERE IS, WITH ALL FAULTS."** Any applicable purchase option must be exercised as of the last day of the Lease Term and it is not available during any holdover period.

**17. Your Assurances and Representations** Each of us intends that: (i) this Lease constitutes a true "lease" and a "finance lease" as such terms are defined in Article 2A and not a sale or retention of a

security interest; (ii) you have selected the "Supplier" (as defined in Article 2A) and have directed us to purchase each Unit (excluding any Additional Collateral) from this Supplier; (iii) you were informed, before your execution of this Lease and are hereby informed in writing that you are entitled under Article 2A to the promises and warranties, including those of any third party, provided to us by the Supplier in connection with or as part of the purchase of the Units, and that you may communicate directly with the Supplier and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations on remedies relating thereto; and (iv) we are and shall remain the owner of each Unit (unless sold by us pursuant to any Lease Document), and you shall not acquire any right, title or interest in or to such Unit except the right to use it in accordance with the terms hereof.

You represent and warrant to us that: (a) You will use each Unit for business purposes only and not for personal, family or household use. (b) You will provide all financial information and reporting as we may reasonably require. (c) All credit, financial and other information submitted by you or on your behalf to us in connection with this Lease is and shall be true, correct and complete. (d) You will not change your name, principal place of business or primary residence and, if you are a business entity, your state of formation or form of business organization (including by merger, consolidation, reincorporation or restructure) without prior written notice to us. (e) We may share any of your information provided by you, or gathered by us, with any affiliate of ours that has or may extend credit to you. (f) You will not assign this Lease or any right or obligation under it without our prior written consent.

You agree, at your expense, to do any act and execute, acknowledge, authorize, deliver, file, register, and record any documents that we deem desirable in our reasonable discretion to protect our title or rights in a Unit and our rights and benefits under this Lease. You hereby irrevocably appoint us as your attorney-in-fact for the signing and filing of such documents and authorize us to delegate these limited powers.

You will not remove, disable, or impair any Unit monitoring system such as Cat® Product Link, if the Unit is equipped with such system. You agree to permit Caterpillar Inc. or its subsidiaries or affiliates, including us (collectively "Caterpillar") and Caterpillar dealers to access data concerning the Unit, its condition, and its operation transmitted from the monitoring system. The information may be used: (1) to administer, implement, and enforce the terms of this Lease, (2) to recover the Unit if necessary, and (3) to improve Caterpillar's products and services. You agree that information transmitted may include, among other things, the serial number, VIN, location, and operational and other data, including but not limited to fault codes, emissions data, fuel usage, service meter hours, software and hardware version numbers, and installed attachments.

**18. Assignment; Counterparts** We may assign, sell or encumber all or any part of this Lease, the Rent, and the Units with or without notice to you. THE RIGHTS OF ANY SUCH ASSIGNEE WILL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET OFF WHICH YOU MAY HAVE AGAINST US. If requested by us, you will assist us in the assignment of any of our rights under this Lease. If requested by us, you will also sign a notice of assignment in a form approved by us. If notified by us, you will make all payments due under this Lease to the party designated in the notice without offset or deduction. In connection with any potential or actual assignment, you consent to the sharing of your credit file information, including personal information relating to your principals, with any potential assignee. Upon any assignment by us of our rights under this Lease, and except as may otherwise be provided herein, all references in this Lease to "Lessor", "we", "us", and "our" will mean the assignee. This Lease is for the benefit of, and is binding upon, your and our respective successors and assigns. Though multiple counterparts of this document may be signed, only the counterpart accepted, acknowledged, and certified by us on the signature page as the original will constitute original chattel paper. A photocopy or facsimile of this Lease will be legally admissible under the "best evidence rule." A signed copy of this Lease and any related document sent electronically will be treated as an original document and will be admissible as evidence thereof, and all signatures thereon will be



binding as if manual signatures were personally delivered. You are hereby notified that we may assign our rights (but not our obligations) under this Lease and in the Units to CF Exchange, LLC, a qualified intermediary, as part of a 1031 exchange.

**19. Effect of Waiver; Entire Agreement; Notices; Applicable Law** Our delay or omission in exercising any right or remedy will not impair such right or remedy. A delay or omission by us will not be construed as a waiver of any Event of Default. Any waiver or consent by us must be in writing. This Lease and the Lease Documents completely state our and your rights and supersedes all prior agreements with respect to a Unit. All notices must be in writing, addressed to the other party at the address stated on the front of this Lease or at such other address as may be furnished in writing. This Lease is governed by and construed under the laws of the State of Tennessee, without giving effect to the conflict-of-laws principles. You consent to the jurisdiction of any state or federal court located within the State of Tennessee. **THE PARTIES WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATED TO THIS LEASE, THE OBLIGATIONS, OR THE UNITS.**

**20. No Agency; Modification of Lease; Miscellaneous** No person or entity, including, without limitation, the supplier or the manufacturer of the Units, is authorized to act as our agent regarding this Lease. No waiver, modification, or change in this Lease will bind us unless provided by us in writing. Oral agreements are not binding. You agree that we may correct patent errors in this Lease and the Lease Documents and fill in blanks including for example correcting or filling in serial numbers, VIN numbers, and dates. Headings in this Lease are inserted for convenience only. Headings do not affect the meaning or interpretation of this Lease. If a provision of this Lease is invalid under any law, it shall be deemed omitted. Any such omission will not invalidate the remaining provisions. To the extent any payment due us under this Lease is deemed to be usurious, the payment obligation shall be amended and limited to the maximum lawful amount. All obligations under this Lease survive the expiration or termination of the Lease if necessary to give full effect to the terms of this Lease.

**By signing this Lease, you certify that you have read this Lease and all the other Lease Documents, including each Application Survey.**

**SIGNATURES**

LESSOR  
**Caterpillar Financial Services Corporation**  
Signature \_\_\_\_\_  
Name (print) \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

LESSEE  
**CITY OF SEWARD**  
Signature \_\_\_\_\_  
Name (print) \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

**PARTIES**

LESSOR ("we", "us" or "our"):

LESSEE ("you" or "your"):

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

**CITY OF SEWARD**  
537 MAIN STREET  
SEWARD  
NE 68434

We and you agree to add the following paragraph to the Lease:

You represent and warrant to us that you (i) have sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year and (ii) reasonably believe that funds can be obtained sufficient to make all rental payments during the term of the Lease. You hereby covenant that you will do all things reasonably within your power to obtain funds from which the rental payments may be made, including (i) providing for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding and (ii) using your *bona fide* best efforts to have such portion of the budget approved. It is your intent to make rental payments for the full term of this Lease if funds are available therefor, and you represent that the use of the Units is essential to your proper, efficient and economic operation. In the event no funds or insufficient funds are appropriated and budgeted or are otherwise not available in any fiscal year for rental payments due under this Lease, then you will immediately notify us of such occurrence and this Lease will terminate on the last day of the fiscal year for which appropriations were received. You will not incur any penalty or expense as a result of any such termination of this Lease, and you will have no obligation to make rental payments with respect to the remainder of the Lease, but you will be obligated to pay rental payments to the extent funds shall have been appropriated and budgeted or are otherwise available. In the event of such termination, you agree to return the Units to us pursuant to Section 15 of this Lease, and we will have all legal and equitable rights and remedies to take possession of the Units. Notwithstanding the foregoing, you agree that you will not cancel this Lease if any funds are appropriated for the acquisition, retention or operation of the Units or other equipment performing functions similar to the Units.

**SIGNATURES**

LESSOR

LESSEE

CATERPILLAR FINANCIAL SERVICES CORPORATION

CITY OF SEWARD

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Name (print) \_\_\_\_\_

Name (print) \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_



## Construction Equipment Application Survey

Customer Name: CITY OF SEWARD Location: 537 MAIN ST, , SEWARD, NE 68434  
 Make: Caterpillar Model: 420F Quantity: 1 Serial Number: VIN #:  
 Monthly Usage: 41.67 Current Hours: 9.00 Dealer: NEBRASKA MACHINERY COMPANY Dealer Location: OMAHA, NE

**\*\*\*\*\* IMPORTANT INFORMATION \*\*\*\*\***

**RESIDUAL EXCEPTION REQUESTS must be submitted to Lessor for the following applications: landfill, transfer and recycling stations; demolition, scrap yards and steel mills; salt, chemical, and corrosive environments such as feed lots, dairy farms, rendering plants, mushroom farms, fertilizer and lime handling, salt water areas and all hazardous waste handling; dusty or poor underfoot conditions; all mining applications. Any applications requiring unusual attachments, unit modifications or that involve non-traditional use of the unit. Any transaction with ten or more of one model.**

**MAJOR ATTACHMENTS:**

Ride Control	E-Stick Extendable	4x4
Air Conditioning	Cab	

**BLADES/BUCKETS/RIPPERS:**

General Purpose Bucket	Rear Counterweight	Quick Coupler
Backhoe Bucket		

**MARKET CATEGORIES:**

Standard Environment - Agricultural-Crop, Ag Non-Manure, Road Building, Utilities, Dams & Bridges, Airport, Site Prep Landfill, Landscaping, Pipeline, Commercial Residential, Site Development.

**IF "SEVERE" OR "OTHER" DESCRIPTION OF ACTUAL APPLICATION REQUIRED:**

**MAXIMUM USAGE:**

The model listed and equipped as stated above will be operated an estimated total of **41.67 hours per month** over a term of **60 months** for total usage during the lease term of **2500.00 hours**. This total usage combined with any accumulated hours prior to the Lease inception date, as stated above under current hours, will be the **total allowable machine hours** for the life of the Lease and the basis for any overuse charges.

$$\text{Total Lease Hours } 2500.00 + \text{Current Hours } 9.00 = \text{Total Allowable Machine Hours } 2509.00$$

**OVERUSE CALCULATION:**

In addition to Lessor's other rights hereunder and not in lieu thereof, Lessee shall pay Lessor additional rent for each hour in excess of the Total Allowable Machine Hours established for the Lease as stated above. This hourly rate shall be \$9.9 per hour.

**Please note: To avoid overuse charges, notify Lessor immediately of any increase in machine usage that will cause the total usage to exceed the "Total Allowable Machine Hours" as stated above. The Lease may be adjusted to reflect the correct hour usage.**

**REMEDY FOR RETURN CONDITIONS:**

Lessee will be invoiced for the parts and labor based on your local Caterpillar dealer's retail prices and retail labor rates to replace tires, undercarriage components, belts and all other non-conforming components as outlined in the **"REMAINING LIFE REQUIREMENTS"** section of the Mandatory Condition of the Unit Upon Return. The invoiced amounts will be based on the following percentages of remaining life and is payable upon receipt of invoice:

Life Remaining	Charge to Lessee
50% or greater	No charge to Lessee
31% to 49%	50% charge to Lessee
0% to 30%	70% charge to Lessee

**SEE PAGE TWO FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS APPLICATION SURVEY.**



**LESSOR RETAINS THE RIGHT TO ASK FOR ANY AND ALL REPAIR AND MAINTENANCE RECORDS DURING THE LEASE TERM AND/OR LEASE TERMINATION. A FULL UNIT INSPECTION MAY BE CONDUCTED AT LESSEE'S EXPENSE AT ANY TIME EVIDENCE DEMONSTRATES THAT THE UNIT(S) ARE BEING ABUSED FROM NEGLIGENCE OR MISAPPLICATION.**

**MANDATORY CONDITION OF EQUIPMENT UPON RETURN:**

Notwithstanding the provisions of: Sections 7 and 15 of the Tax Lease, Lessee agrees that each Unit, upon its return, shall:

**MAINTENANCE AND GENERAL REQUIREMENTS:**

- Give Lessor sixty (60) days notice prior to the Lease termination date of Lessee's intention to return any and all Units to Lessor.
- Return the Units in the same configuration, with all attachments, as when delivered at lease inception. Lessee is responsible for costs, including but not limited to, fees, taxes and duties associated with tear down, loading, shipping and unloading of Units to a site designated by Lessor.
- Ensure the Units upon return are thoroughly cleaned, steam cleaned if available, and free from all oil, hydraulic and fuel leaks.
- Operate and maintain all Units in accordance with Caterpillar Lubrication and Maintenance and Operators guide books, and insure all maintenance is performed at recommended intervals and only genuine Caterpillar filters and parts are used for all maintenance and repairs. All Units must be in good operating condition and be able to perform all tasks under rated load.
- Enroll all Units in a Caterpillar dealer Scheduled Oil Sampling (SOS) or comparable program, where available, for the entire lease, and insure all fuels, lubricants, additives, and radiator water is clean and complies with Caterpillar recommended standards.
- Ensure all Units are operated only in the applications for which they were designed and manufactured.
- Maintain a working engine hour meter at all times. Keep complete records of all hour meter changes along with major component change outs and routine maintenance and repair records.
- Ensure all service contracts are fully implemented and all maintenance and repairs are made on schedule. Product Improvement Programs (PIP's) must be complete before the Units are returned. **ATTACH A COPY OF ANY AND ALL REPAIR AND MAINTENANCE CONTRACTS AND PLANNED COMPONENT REPLACEMENT PROGRAMS.**
- Provide a secured place to store off-lease Units upon request from the Lessor. Provide access to the Units for purposes of maintenance or demonstration to prospective buyers at Lessor's request.

**SPECIFIC TINWARE AND SAFETY REQUIREMENTS:**

- Ensure the operator's compartment is clean, and all switches, monitoring systems (EMS, VIMS, VIDS), gages, control levers, pedals, radio, mirrors, seats, insulation and all other contents are complete and in good working order.

- Ensure all window glass is clear, and free from cracks and major pits, all window frames, doors and weather stripping are complete, and all service access compartment covers and doors, fenders, and other flat metal or plastic surfaces are in good working order and free from dents and cracks.
- Ensure all standard Caterpillar and non-Caterpillar safety items are complete and in good working order, including but not limited to, roll over protection (ROPS) and falling object protection (FOPS) systems, seat belts, steps, safety rails, grab irons, cat walks, fire suppression systems, warning alarms, cameras and monitors.
- Ensure all electrical components, including but not limited to, wiring harness, batteries, alternators, drive belts, lighting and air conditioning systems are complete and in good working order.
- Ensure all repairs made to main structures, including but not limited to, main frames, roller frames, car bodies, swing gears, drawbars, circles, component housings, loader arms, booms, sticks, tag links, loader linkages, truck bodies, buckets, rippers, and arches must be accomplished in accordance with factory recommended materials and repair procedures.

**REMAINING LIFE REQUIREMENTS:**

- Ensure all ground engaging tools, including but not limited to, buckets, dozer blades, base cutting edges, rippers, scarifiers, drums, feet, tines, screeds, elevator flights, forks, and top clamps have good structural integrity and have fifty percent (50%) minimum remaining life.
- Return all track and rubber belted Units with a minimum of fifty percent (50%) remaining life on each and every component, including but not limited to, track shoes, links, pins, bushings, idlers, bogies, sprockets, carrier rollers, and track rollers. Belts cannot have any cuts that extend into the cords and must not be missing guide blocks or grouser bars (lugs). Charges will be assessed for each component not meeting the requirement.
- Return all rubber tire Units with a minimum of fifty percent (50%) remaining life of the original tread life of each tire. Recapped tires are not acceptable substitutes. All tires must be a matched set with the same tread type and pattern and have no significant cuts or chunking of the tread or side walls.

**SIGNATURES**

This Application Survey is considered to be an integral part of the Lease between Lessor and Lessee. The information obtained from this Application Survey will be of primary importance in the Lease payment schedule. Any change in the location, severity of application, annual hourly usage and/or attachments or configuration must be approved in writing by Lessor.

**SEE PAGE ONE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS APPLICATION SURVEY.**

**CITY OF SEWARD**

LESSEE

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:	CITY OF SEWARD	
Physical Address:	537 MAIN STREET	_____
	SEWARD, NE 68434	_____
Mailing Address:	PO BOX 38	_____
	SEWARD, NE 68434	_____
Equipment Location:	537 MAIN ST	_____
	SEWARD, NE 68434, SEWARD	_____
Business Phone:	(402)643-2928	_____
E-mail Address:	MARILYN.VARNER@CITYOFSEWARD.COM	_____
Accounts Payable Contact Name and Phone:		_____
<b>Tax Information</b>		
Sales Tax Rate:	0	_____

(Please note: Sales Tax Rate, includes all applicable State, County, and City sales tax)

City Limits                      **Asset outside the City Limits? Yes\_\_\_ No\_\_\_**

Tax Exemption Status:        **Please indicate if you are tax 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 ISC**

Exempt  
 Non-Exempt

**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.*





**CATERPILLAR INSURANCE COMPANY (CIC) SELECTION FORM**

Before financing your equipment, you must arrange physical damage insurance on the equipment identified below. The insurance may be provided through an insurance agent or insurance company of your choice, provided the insurance company satisfies minimum financial requirements.

As an alternative to obtaining your own insurance, you may elect to have your equipment insured under coverage arranged by Caterpillar Insurance Services Corporation, that has been designed specifically for the purchasers of Cat® equipment.

**Please complete this form if you elect to insure your equipment with Caterpillar Insurance Company (CIC).**

CIC Physical Damage Insurance Policy Summary

Please note: This is only a brief description of the CIC Physical Damage Insurance Program. Contractual provisions contained in the policy will govern.

**Coverage**

CIC Physical Damage Insurance protects your equipment against physical damage losses, including collision, fire, theft, vandalism, upset or overturn, floods, sinking, earthquakes and other unfortunate acts of nature. The protection has been designed for owners of heavy equipment and provides superior benefits you most likely would not find in other plans.

The CIC Physical Damage Insurance does include normal exclusions. Some important exclusions are wear and tear, rust, loss of income, war, nuclear damage, and mechanical breakdown, automobiles, watercraft, waterborne shipments, tires or tubes or mobile track belts damaged by blow-out, puncture, and road damage.

**Repairs**

When a covered loss occurs, this plan will pay for Cat® replacement parts on all your new or used Caterpillar equipment. On all equipment from other manufacturers, the plan will pay for comparable replacement parts.

**Transportation**

Your CIC plan will pay for round-trip transportation of covered damaged equipment to and from your Cat dealer's repair facility, up to \$2,500 limit.

**Rental Reimbursement**

The plan allows for rental costs up to \$2,500 that you incur to rent similar equipment following a covered loss. You are automatically protected with up to \$100,000 of coverage for damage to the similar equipment you rent.

**Claims**

In the event of a total loss, the policy will pay the greatest of the following:

- The payoff value of the loan on the damaged parts or equipment as of the date of loss or
- The actual cash value of that covered property; or
- The cost of replacing that property with property of like kind and quality

The policy will pay 10% of scheduled loss, up to a \$10,000 maximum for debris removal.

The policy will pay fire department service fees up to \$5,000.

**Deductible**

\$1,000 Construction and Agricultural Equipment Deductibles:  
\$5,000 deductible all logging Equipment

**Customer Service**

If you have any questions or need additional details, see your Authorized Cat Dealer or call CIC toll free at **1-800-248-4228**. You may also e-mail CIC at [physicaldamage@cat.com](mailto:physicaldamage@cat.com)

**POLICYHOLDER DISCLOSURE**

**NOTICE OF TERRORISM RISK INSURANCE ACT OF 2002**

(as extended by the Terrorism Risk Insurance Extension Act of 2005, and as amended in 2007)

You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended in 2007. However, your policy may contain other exclusions, which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of your premium that is attributable to coverage for terrorist acts certified under the Act is: \$0.00



**APPLICATION FOR CIC PHYSICAL DAMAGE INSURANCE**

Model #	Equipment Description	Serial #	VIN	Value Including Tax	Pymt Method-3 Total Premium	Pymt Method-1 Finance Pymt
1. 420F	Caterpillar Backhoe Loader			\$99,500.00	\$6,565.00	\$1,449.38

*Marsha Blaisdell*

Marsha Blaisdell, Authorized Insurance Producer

**Arranged by Caterpillar Insurance Services Corporation**

I understand that the total insurance premium for 60 months will be \$6,565.00, which is \$1,313.00 per year based upon the total equipment value of \$99,500.00.

- Method 1  I will finance the insurance premium, including finance charges, of \$1,449.38 per scheduled equipment payment. The finance charge is calculated at **4.70%** per annum on the total insurance premium covering the full term of the finance agreement. By choosing Method 1 and signing this document you are agreeing to finance the insurance along with the equipment payments with Caterpillar Financial Services Corporation.
- Method 2  I desire coverage for an initial 12 month term. I will pay the \$1,313.00 premium and return the payment with the signed equipment documents. Please make check payable to CIC.
- Method 3  I will pay the total premium and return the payment with the signed equipment documents. Please make check payable to CIC.
- Method 4  I decline Caterpillar Insurance. I elect to obtain my own commercial insurance on the equipment shown from an agent or insurance company of my choice.

I understand that the quote I receive is not a binder of insurance. If I elect to obtain coverage from CIC, coverage will be effective in accordance with the terms and conditions of the issued Policy and that I may terminate the coverage at any time with advance written notice.

I acknowledge that I have been notified that, under the TERRORISM RISK INSURANCE ACT of 2002 (as extended by the Terrorism Risk Insurance Extension Act of 2005), any losses caused by certified acts of terrorism under my policy will result in coverage under my policy that will be partially reimbursed by the United States as outlined in the attached policyholder disclosure notification.

I also acknowledge I have been advised that, if I accept this insurance, an appointed licensed insurance producer will receive commission compensation.

**Customer Name:** CITY OF SEWARD  
**Dealer Name:** NEBRASKA MACHINERY COMPANY

Please note: If you would like a no obligation quote on your additional equipment, call 1-800-248-4228 extension 5754.

Accepted By: \_\_\_\_\_ Name (PRINT): \_\_\_\_\_  
 Title: \_\_\_\_\_ Date: \_\_\_\_\_



## Fraud Warning:

**Applicable in AL, AR, DC, LA, MD, NM, RI and WV:** Any person who knowingly (or willfully)\* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)\* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. \*Applies in MD Only.

**Applicable in CO:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**Applicable in FL and OK:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)\*. \*Applies in FL Only.

**Applicable in KS:** Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

**Applicable in KY, NY, OH and PA:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)\*. \*Applies in NY Only.

**Applicable in ME, TN, VA and WA:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)\* include imprisonment, fines and denial of insurance benefits. \*Applies in ME Only.

**Applicable in NJ:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**Applicable in OR:** Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

**Applicable in PR:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.



**INSURANCE SELECTION FORM-OUTSIDE INSURANCE CARRIER**

Per your Lease agreement with us, you must arrange physical damage and general liability insurance on the equipment identified below. The insurance may be provided through an insurance agent or insurance company of your choice, provided the insurance company satisfies minimum financial requirements.

Physical Damage coverage must show that Caterpillar Financial Services Corporation has been named as loss payee for the equipment's replacement value. The deductible must be shown. Liability Coverage must be a minimum of \$1,000,000 or combined coverage for bodily injury and property damage per occurrence. Caterpillar Financial Services Corporation must be named as additional insured.

As an alternative to obtaining your own Physical Damage coverage, you may elect to have your equipment insured under coverage arranged by Caterpillar Insurance Services Corporation designed specifically for the purchasers of Caterpillar equipment. If a quote is not included in your document package, please contact your Caterpillar Dealer, call **1-800-248-4228**, or e-mail Cat.Insurance@cat.com.

**Please complete this form to provide contact information for your liability coverage, as well as your physical damage coverage if you did not elect Caterpillar Insurance for physical damage.**

Transaction Number: 2574052 Dealer Name: NEBRASKA MACHINERY COMPANY  
Customer's Name: CITY OF SEWARD  
Address: 537 MAIN STREET  
SEWARD, NE 68434

I have entered into the above agreement under which **I am responsible for providing insurance** against **ALL RISKS** of direct physical loss or damage for the actual cash value of the following equipment, subject to common exclusions such as damage caused by corrosion, rust, mechanical or electrical breakdown, etc.

Model #	Equipment Description	Serial #	VIN #	Value Including Tax
1. 420F	Caterpillar Backhoe Loader			\$99,500.00

Insurance Agency \_\_\_\_\_ Insurance Agent's Name \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Agent's Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_ E-mail Address \_\_\_\_\_

**TO CUSTOMER'S INSURANCE AGENT**

**I hereby instruct you to add Caterpillar Financial Services Corporation as a Loss Payee for physical damage and as an Additional Insured for general liability:**

- To my existing policy number(s) \_\_\_\_\_, which now provide the coverage required, or
- To a policy or policies which you are authorized to issue in the name listed above which will provide the coverage required.

Caterpillar Financial Services Corp must be given written notice within 30 days of any cancellation or non-renewal. It is also understood and agreed that a breach of the insuring conditions by the customer, or any other person shall not invalidate the insurance to Caterpillar Financial Services Corporation



Signature: \_\_\_\_\_

Name (PRINT): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PROCESSING OF THIS TRANSACTION MAY BE HELD PENDING RECEIPT OF THIS INFORMATION**

PLEASE FORWARD A COPY OF THE CERTIFICATE OR BINDER EVIDENCING COVERAGE TO:  
CATERPILLAR FINANCIAL SERVICES CORPORATION      E-mail: NABC.Docs@cat.com  
2120 West End Avenue                                      Fax #: 615-341-1627  
Nashville, TN 37203

**PLEASE ATTACH A COPY OF THIS NOTICE TO PROOF OF INSURANCE**

# Caterpillar Financial Services Corporation

## INVOICE

Page	Date	Invoice No.
1	02/27/2015	LSAP-454553351-1

CITY OF SEWARD  
537 MAIN STREET  
SEWARD, NE 68434

Description	Serial	VIN	Due Date	Pmt. No.	Amount
(1) 420F Caterpillar Backhoe Loader			Upon Receipt.	1	\$12,923.98
Sales and Use Tax					\$0.00
Document Fee					\$0.00
Filing Fee					\$0.00
Stamp Fee					\$0.00
Other Fees					\$0.00
Freight Fee					\$0.00
WITHOUT THE APPROPRIATE TAX EXEMPTION CERTIFICATE, APPLICABLE SALES AND/OR USE TAX WILL BE CHARGED.					

**PLEASE PAY THIS AMOUNT      \$      \$12,923.98**

Invoice No.	Total Enclosed
LSAP-454553351-1	\$

CITY OF SEWARD  
537 MAIN STREET  
SEWARD, NE 68434

Remit To: Caterpillar Financial Services Corporation  
5th Floor Document Services  
Doc Specialist: NEBRASKA MACHINERY COMPANY  
2120 West End Ave.  
Nashville, TN 37203

RETURN INVOICE AND CHECK FOR SPECIFIED PAYMENT(S) WITH SIGNED DOCUMENTS.

Your check will be cashed by Caterpillar Financial Services Corporation (CFSC) upon receipt, but that act will not constitute acceptance by CFSC of the Loan, Lease or Schedule. If CFSC accepts and executes the Loan, Lease or Schedule, the proceeds of this check will be applied to the specified payments. If CFSC does not accept the Loan, Lease or Schedule, CFSC will return an amount equal to this check.

Form No. INVSEP



4553351 02/27/2015 4:35 PM CT

# Opinion of Counsel

## Re: Tax Lease (Transaction Number 2574052) (the "Lease") Between CITY OF SEWARD ("Lessee") and Caterpillar Financial Services Corporation ("Lessor")

Sir/Madam:

I am an attorney for Lessee, and in that capacity I am familiar with the above-referenced transaction, the Lease, and all other documents pertaining to the Lease (the Lease and such other documents pertaining to the Lease being referred to as the "Lease Agreements").

Based on my examination of these and such other documents, records and papers and matters of fact and laws as I deemed to be relevant and necessary as the basis for my opinion set forth below, upon which opinion Lessee and any subsequent assignee of Lessee's interest may rely, it is my opinion that:

1. Lessee is a fully constituted political subdivision or agency duly organized and existing under the Constitution and laws of the State of Nebraska (the "State"), and is authorized by such Constitution and laws (i) to enter into the transaction contemplated by the Lease Agreements and (ii) to carry out its obligations thereunder.
2. The Lease Agreements (i) have been duly authorized, executed and delivered by Lessee and (ii) constitute valid, legal and binding obligations and agreements of Lessee, enforceable against Lessee in accordance with their terms, assuming due authorization and execution thereof by Lessor.
3. No further approval, license, consent, authorization or withholding of objections is required from any federal, state or local governmental authority with respect to the entering into or performance by Lessee of the Lease Agreements and the transactions contemplated by the Lease Agreements.
4. Lessee has sufficient appropriations or other funds available to pay all amounts due under the Lease Agreements for the current fiscal year.
5. The entering into and performance of the Lease Agreements will not (i) conflict with, or constitute a breach or violation of, any judgment, consent decree, order, law, regulation, bond, indenture or lease applicable to Lessee, or (ii) result in any breach of, or constitute a default under, or result in the creation of, any lien, charge, security interest or other encumbrance upon any assets of Lessee or the Units (as defined in the Lease) pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which Lessee is a party, or by which it or its assets may be bound.
6. No litigation or proceeding is pending or, to the best of my knowledge, threatened to, or which may, (a) restrain or enjoin the execution, delivery or performance by Lessee of the Lease Agreements, (b) in any way contest the validity of the Lease Agreements, (c) contest or question (i) the creation or existence of Lessee or its governing body or (ii) the authority or ability of Lessee to execute or deliver the Lease Agreements or to comply with or perform its obligations under the Lease Agreements. There is no litigation or proceeding pending or, to the best of my knowledge, threatened that seeks to or could restrain or enjoin Lessee from annually appropriating sufficient funds to pay the Lease Payments (as defined in the Lease) or other amounts contemplated by the Lease Agreements. In addition, I am not aware of any facts or circumstances which would give rise to any litigation or proceeding described in this paragraph.
7. The Units are personal property and, when subjected to use by Lessee, will not be or become fixtures under the laws of the State.
8. The authorization, approval and execution of the Lease Agreements, and all other proceedings related to the transactions contemplated by the Lease Agreements, have been performed in accordance with all applicable open meeting, public records, public bidding and all other applicable laws, rules and regulations of the State.
9. The appropriation of moneys to pay the Lease Payments coming due under the Lease and any other amounts contemplated by the Lease Agreements does not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
10. The Lessor will have a perfected security interest in the Units upon the filing of an executed UCC-1 or other financing statement at the time of acceptance of the Units with the Secretary of State for the State.

### SIGNATURE

Name (PRINT): \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

This Purchase Agreement is between **NEBRASKA MACHINERY COMPANY** ("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) 420F New Caterpillar Backhoe Loader			\$0.00	\$99,500.00

**Lessee:**  
**CITY OF SEWARD**  
**537 MAIN STREET**  
**SEWARD NE 68434**

<b>Subtotal</b>	<b>\$99,500.00</b>
<b>Federal Excise Tax</b>	<b>0.00</b>
<b>Other Tax</b>	<b>0.00</b>
<b>Total Purchase Price</b>	<b>\$99,500.00</b>
<b>Unit(s) Delivery Point:</b>	
537 MAIN ST	
SEWARD, NE 68434, SEWARD	

See next page for additional terms and conditions.

**SIGNATURES**

**CATERPILLAR FINANCIAL SERVICES CORPORATION**

**NEBRASKA MACHINERY COMPANY**

Signature \_\_\_\_\_  
 Name (print) \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_

Signature \_\_\_\_\_  
 Name (print) \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_



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 sale 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.



**PLEASE DISREGARD THIS OFFER IF YOU ALREADY HAVE A COMMERCIAL ACCOUNT**

CITY OF SEWARD  
537 MAIN STREET  
SEWARD, NE 68434

**IMPORTANT OPPORTUNITY**

As a Caterpillar Financial Services Corporation customer, you now have the opportunity to open a Commercial Account. Commercial Account is an easy and convenient way to pay for parts, service or rentals, and is accepted at all Cat Dealers and Cat Rental Stores in the U.S. With the Commercial Account, you will have the ability to better manage your cash flow by making a monthly minimum payment of 10% on all your parts and service purchases. Rental payments must be paid in full the month following the charge. You will receive one detailed monthly statement of your charges, and have the ability to view your transactions online through our secure website 24/7.

***Through the Commercial Account you may also receive special 0% financing on rebuilds and major repairs (see your Cat Dealer for details).***

- If you need flexibility in paying for a large repair or work tool purchase or
- You need expanded access to Caterpillar Dealers as your work grows beyond your dealership's area, then the Commercial Account is for you.

**To request that an account be opened for you, please complete the application on the next page. Sign the application and return it with this document package OR fax it back to us at 615-341-5925.**

**If you are interested in a certain credit line amount, please indicate the desired amount on the application. Upon receipt, we will review your request and advise you of our decision.**

Once you have returned the enclosed application, you will receive a welcome package with your credit line amount, account number and the Customer Agreement. \*\*

For more information, please call us at 1-888-CAT-8811 or visit us at [www.catfinancial.com/commercialaccount](http://www.catfinancial.com/commercialaccount). Take advantage of this offer and activate your account today!

Best regards,

The Commercial Account Team

**\*Reply by: APRIL 28, 2015 to take advantage of this offer.**

**\*\*In some instances, we may not be able to open an account for you based on your credit report and other pre-determined criteria. We will notify you by mail if we are unable to open an account for you.**

Form No. XCAAC2







**NOTICES**

**Definitions:** The terms "you" and "your" will refer to the person applying for financing, each Guarantor and each Signatory signing this credit application. The terms "we", "us" or "our" will refer to Caterpillar Financial Services Corporation ("CFSC") and/or Caterpillar Financial Commercial Account Corporation ("CFCAC" and, together with CFSC, the "Cat Financial Companies"), either individually or collectively, as applicable. Collectively, the Cat Financial Companies, Caterpillar Inc. and their affiliates and subsidiaries are referred to herein as the "Caterpillar Companies".

**Representations and warranties:** You represent that the information provided by you in this credit application (i) is true, correct and complete and (ii) is provided for the purpose of you obtaining credit from us.

**Privacy Notice:** You authorize us, or our designee, to investigate or obtain from other Caterpillar Companies, sellers of Caterpillar products (each a "Dealer"), banks, consumer reporting agencies, financial institutions, merchants, customers or any other person or entity any personal or business information related to you that we may deem appropriate, including but not limited to consumer reports and credit histories, for the use described herein. You authorize and instruct each such person or entity to furnish, share or otherwise make accessible to us any such information in their possession. We may use and rely upon such information, and any information provided in this credit application, (a) to make a credit decision to extend credit now or in the future pursuant to a subsequent application or request, (b) to continue any previously provided credit, (c) to review your account, (d) to assist in any collection activity, (e) to otherwise investigate your credit, (f) to improve or market Caterpillar products and services, and (g) to share such information with any other person or entity, including but not limited to the Caterpillar Companies, Dealers, consumer reporting agencies, financial institutions, and merchants.

This application for credit is solely from us. A decision to grant or deny business credit by CFSC will be made by CFSC, and a decision to grant or deny credit by CFCAC will be made by CFCAC. We may, in our sole discretion, refuse to extend business credit, goods, or services to you and may terminate any such credit extended at any time. Any references to a requested amount of credit in this credit application will not be deemed a limitation of liability by you. You understand and agree that any credit granted by us to you will be governed by the provisions and conditions set forth in CFCAC's Customer Agreement (or similarly titled) between us where granted by CFCAC or the applicable agreements between us where granted by CFSC.

**You acknowledge that this credit application is for business customers only (including sole proprietorships) and credit provided by us in connection with this credit application may not be used to acquire equipment or services for personal, household or family purposes. You acknowledge that you have read and fully understand the terms and conditions contained in this credit application.**

**The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning these creditors is the FTC Regional Office for the region in which the Cat Financial Companies operate or the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.**

**If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, contact us at the applicable address below within 60 days from the date you are notified of our decision. We will send you a written statement of the reasons for the denial within 30 days from receiving your request for the statement.**

Caterpillar Financial Services Corporation, Attn: Credit Manager, 2120 West End Ave., P.O. Box 340001, Nashville, TN 37203

**COMPLETE if you are financing PARTS, SERVICE, ATTACHMENTS or RENTING equipment from a Cat Dealer with Commercial Account**

Requesting a revolving credit limit range of (select ONE):  \$ \_\_\_\_\_  \$25,000 or less  \$25,000-\$75,000  \$75,000 or more (see FINANCIAL section below)

Billing preference (select ONE or statement billing will apply):

- STATEMENT BILLING:** Receive one statement monthly that covers all transactions made during that period. A minimum payment of 10% (revolving) of the account balance plus interest is due each payment cycle, or pay in full without interest charges. Rental charges are due in full by the due date. As with all statement billing methods payments are applied to the oldest outstanding balance.
- INVOICE BILLING:** Immediately receive a separate Invoice Bill that mirrors the dealer invoice for each transaction you make, plus receive a monthly summary of all paid and open invoices. The full payment of the invoice is due on the stated terms.

Name(s) of individual(s) authorized to charge on account: 1) Name \_\_\_\_\_ 2) Name \_\_\_\_\_

Contact Credit.Department@cat.com to request additional authorized users.

**FINANCIAL: Attach the following if financing exceeds \$75,000 for a Commercial Account**

Financial statements for the last 2 fiscal year-ends, latest interim statements and comparable interims from prior year (if fiscal year-end is over 120 days), and a detailed list of work on hand

Additional financial information may be required.

**SIGNATURES**

**Required signatures:** If you are a legal entity (e.g., corporation, limited liability company or limited liability partnership), an authorized person must sign below on your behalf in addition to each owner listed in this credit application. If you are a partnership or a sole proprietorship, each owner must sign below.

**Ownership** (To be completed by every owner; ID required)

1) Signature \_\_\_\_\_ Printed Name \_\_\_\_\_ Date \_\_\_\_\_

2) Signature \_\_\_\_\_ Printed Name \_\_\_\_\_ Date \_\_\_\_\_

Authorized Signature (Individual OTHER than owner) \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

REVISED 2013

Form No. XCAAC2

