

ORDINANCE AUTHORIZING THE CITY OF COATESVILLE (THE "CITY") TO ENTER INTO A LEASE AGREEMENT WITH USBANK CONSISTENT WITH A PROPOSAL FOR A LANIER MPC 6004 COPIER (WITH COLOR CAPABILITY) A SHREDDER AND A MAINTENANCE AGREEMENT WITH A MONTHLY PAYMENT ON THE 60 MONTH LOAN WITH USA OF \$355.00 PER MONTH (AT A SUBSIDIZED INTEREST RATE of .018 %) SUBJECT TO PROVISIONS FOR NON-APPROPRIATION AND RIGHTS OF RENEWAL OR PURCHASE

WHEREAS, the City of Coatesville (hereinafter "the City") is a Third Class City operating by means of a Home Rule Charter; and

WHEREAS, the City intends to enter into a financing agreement for a lease (with options for extension or purchase) through a COSTAR Contract for a needed copier machine as part of an overall proposal to the City which includes a shredder and maintenance agreement (hereinafter the "Equipment") as more specifically described in Exhibit "A" annexed hereto (proposal and Leasing Agreement) and made a part hereof; and

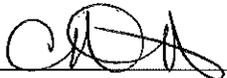
WHEREAS, the City desires by this Ordinance to authorize the execution and delivery on behalf of the City the Leasing Agreement and financing with USBank (at a subsidized interest rate of 0.018%) for the 60 month lease as referenced above and to authorize the taking of necessary or appropriate actions to execute the documents responsive to the aforementioned proposal attached hereto as Exhibit "A".

NOW THEREFORE, in accordance with the foregoing authority and the requirements of the City Charter at Section 2-301. D. (which requires action by Ordinance in instances where the City should "Authorize the borrowing of money...") THE CITY DOES HEREBY ENACT AND ORDAIN AS FOLLOWS:

Section 1. Approval by the City Council of the City of Coatesville. The City Council hereby authorizes and approves the financing of the Equipment pursuant to the Dealer Lease Agreement with USBank and authorizes the execution of all documentation necessary to proceed in accordance with the Proposal attached hereto and authorizes and directs the City Manager or City Council President to execute, attest, seal and deliver the Dealer Lease Agreements in the form attached hereto. Such execution, attestation and delivery of the Lease Purchase Agreements shall constitute conclusive evidence of such approval.

Section 2. Effective date. This Ordinance shall be effective following adoption in accordance with the City Charter and the Third Class City Code.

ENACTED AND ORDAINED this 28th day of August, 2017.



C. Arvilla Hunt
President, City Council

Bill No. 2017-09

Ordinance No. 1495- 2017

ATTEST:



Michael T. Trio, City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 14th day of August, 2017 and was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania, on the 28th day of August, 2017, that the vote upon the said Ordinance has been recorded in the Minutes of the City Council and that the Ordinance has been fully recorded.



Michael T. Trio, City-Manager

Bill No. 2017-09

Ordinance No. 1495-2017

EXHIBIT "A"
PROPOSAL AND DESCRIPTION OF EQUIPMENT AND DEALER LEASE AGREEMENT

The City of Coatesville
 Copier/Printer Cost Analysis
 Revised July 2017

	Current Equipment	Proposed Lease
Model Number	Lanier MP7502sp	Lanier MPC6004
Number of Monthly Payments	60	60
Monthly Lease Payment	\$307.00	\$305.00
Meter Type	Black Color	Black Color
Average Monthly Copy Volume	10,831	10,831
Cost per Page	\$0.0064	\$0.006
Monthly Maintenance Cost per Meter	\$69.31	\$69.31
Total Monthly Maintenance Cost	\$69.31	\$69.31
Average Total Monthly Investment	\$376.31	\$374.31
Average Monthly Savings		\$2.00

Calculating a Lease "Rate" for the City of Coatesville

60 Month Lease

Multiply payment amount by number of payments.

$$\$355.00 \times 60 = \$21,300.00$$

Subtract funding amount from total payments.

$$\$21,300.00 \text{ minus } \$19,484.08 = \$1,815.92$$

Divide finance cost by number of years leased.

$$\$1,815.92 \text{ divided by } 5 \text{ years} = \$363.18$$

Divide annual financed amount by total funding amount.

$$\$363.18 \text{ divided by } \$19,484.08 = \%.018$$

Calculating a Lease "Rate" for the City of Coatesville

36 Month Lease

Multiply payment amount by number of payments.

$$\$529.00 \times 36 = \$19,044.00$$

Subtract funding amount from total payments.

$$\$19,044.00 \text{ minus } \$19,484.08 = -\$440.08$$

Divide finance cost by number of years leased.

$$-\$440.08 \text{ divided by } 3 \text{ years} = -\$146.69$$

Divide annual financed amount by total funding amount.

$$-\$146.69 \text{ divided by } \$19,484.08 = -\%.0075$$

West Chester, PA 19380
484-319-5757 - Mobile
610.696.1745 - fax
jkinch@rothdoc.com
www.RothDoc.com

LANIER

APPLICATION NO. 2276682	AGREEMENT NO.
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provided by: 
EQUIPMENT FINANCE

Dealer Lease Agreement

Send Account Inquiries to: 1310 Madrid Street, Suite 101 • Marshall, MN 56268 • Phone: (800) 328-5371 • Fax: (800) 328-9092
Send Payments to: P.O. Box 790748 • St. Louis, MO 63179-0448

The words Lessee, you and your refer to Customer. The words Lessor, we, us and our refer to U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance").

CUSTOMER INFORMATION				
FULL LEGAL NAME			STREET ADDRESS	
City of Coatesville			One City Hall Place	
CITY	STATE	ZIP	PHONE	FAX
Coatesville	PA	19320	610-384-0300	
BILLING NAME (IF DIFFERENT FROM ABOVE)			BILLING STREET ADDRESS	
CITY	STATE	ZIP	E-MAIL	
EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE)				
Same				

SUPPLIER INFORMATION				
NAME OF SUPPLIER			STREET ADDRESS	
Rothwell Document Solutions			590 Hannum Ave.	
CITY	STATE	ZIP	PHONE	FAX
West Chester	PA	19380	610-696-1290	610-696-1745

EQUIPMENT DESCRIPTION		SERIAL NO.
MAKE/MODEL/ACCESSORIES		
Lanier MPC6004		

together with all replacements, parts, repairs, additions, and accessories incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.
 See the attached Schedule A

TERM AND PAYMENT SCHEDULE		
Term in <u>60</u> Months	<u>60</u> Payments* of \$ <u>355.00</u>	*plus applicable taxes
The lease contract payment ("Payment") period is monthly unless otherwise indicated.		

END OF LEASE OPTIONS	
<p>You may choose one of the following options within the area you check and initial at the end of the original term, provided that no event of default under the Agreement has occurred and is continuing. If no box is checked and initialed, then Fair Market Value will be your end of lease option. Leases with \$1.00 or \$101.00 purchase options will not be renewed. To the extent that any purchase option indicates that the purchase price will be the "Fair Market Value" (or "FMV"), such term means the value of the Equipment in continued use.</p> <p><input checked="" type="checkbox"/> 1) Purchase all but not less than all the Equipment for the Fair Market Value per paragraph 1, 2) Renew the Agreement per paragraph 1, or 3) Return the Equipment per paragraph 3. _____ Customer's Initials</p> <p><input type="checkbox"/> 1) Purchase the Equipment for \$1.00, or 2) Return the Equipment per paragraph 3. _____ Customer's Initials</p>	

THIS IS A NONCANCELABLE / IRREVOCABLE AGREEMENT; THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED.

LESSOR ACCEPTANCE		
U.S. Bank Equipment Finance		
LESSOR	SIGNATURE	TITLE
		DATED

CUSTOMER ACCEPTANCE		
By signing below, you certify that you have reviewed and do agree to all terms and conditions of this Agreement on this page and on page 2 attached hereto.		
	<u>X</u>	
CUSTOMER (as referenced above)	SIGNATURE	TITLE
		DATED
FEDERAL TAX I.D. #	PRINT NAME	

ACCEPTANCE OF DELIVERY		
You certify that all the Equipment listed above has been furnished, that delivery and installation has been fully completed and is satisfactory. Upon you signing below, your promises herein will be irrevocable and unconditional in all respects. You understand that you have purchased the Equipment from the Supplier, and you may contact the Supplier for a full description of any warranty rights under the supply contract, which we hereby assign to you for the term of this Agreement (or until you default). Your approval as indicated below of our purchase of the Equipment from the Supplier is a condition precedent to the effectiveness of this Agreement.		
	<u>X</u>	
CUSTOMER (as referenced above)	SIGNATURE	TITLE
		DATE OF DELIVERY

1. **AGREEMENT:** For business purposes only, you agree to lease from us the goods (the "Equipment") and/or to finance certain licensed software and services ("Financed Items", which are included in the word "Equipment" unless separately stated), as described on page 1 of this Agreement, as it may be supplemented from time to time. You agree to all of the terms and conditions contained in this Agreement and any supplement, which (with the acceptance certification) is the entire agreement regarding the Equipment ("Agreement") and which supersedes any purchase order or invoice. You authorize us to correct or insert missing Equipment identification information and to make corrections to your proper legal name and address. This Agreement becomes void upon execution by us and will start on the date you pay the Supplier. Interim rental due adjustments will be in an amount equal to 1/30th of the Payment, multiplied by the number of days between the Agreement start date and the first Payment due date. This Agreement will renew for 12-month term(s) unless you purchase or return the Equipment (according to the conditions herein) or send us written notice between 90 and 150 days (before the end of any term) that you do not want it renewed. If any provision of this Agreement is declared unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in that jurisdiction and all others.

2. **RENT, TAXES AND FEES:** You will pay the monthly Payment (as adjusted) when due, plus any applicable sales, use and property taxes. The base Payment will be adjusted proportionately upward or downward: (1) by up to 10% to accommodate changes in the actual Equipment cost; (2) if the shipping charges or taxes differ from the estimate given to you; and (3) to comply with the tax laws of the state in which the Equipment is located. If we pay any taxes, insurance or other expenses that you owe hereunder, you agree to reimburse us when we request and to pay us a processing fee for each expense or charge we pay on your behalf. We may charge you for any filing fees required by the Uniform Commercial Code (UCC) or other laws, which fees vary state-to-state. By the date the first Payment is due, you agree to pay us an origination fee, as shown on our invoice or addendum, to cover us for all closing costs. We will have the right to apply all sums, received from you, to any amounts due and owed to us under the terms of this Agreement. If for any reason your check is returned for nonpayment, you will pay us a bad check charge of \$30 or, if less, the maximum charge allowed by law. We may make a profit on any fees, estimated tax payments and other charges paid under this Agreement.

3. **MAINTENANCE AND LOCATION OF EQUIPMENT; SECURITY INTEREST:** At your expense, you agree to keep the Equipment: (1) in good repair, condition and working order, in compliance with applicable manufacturers' and regulatory standards; (2) free and clear of all liens and claims; and (3) only at your address shown on page 1, and you agree not to move it unless we agree. As long as you have given us the written notice as required in paragraph 1 prior to the expiration or termination of this Agreement's term, if you do not purchase the Equipment, you will return all but not less than all of the Equipment and all related manuals and use and maintenance records to a location we specify, at your expense, in retail re-saleable condition, full working order and complete repair. You are solely responsible for removing any data that may reside in the Equipment you return, including but not limited to hard drives, disk drives or any other form of memory. You grant us a security interest in the Equipment to secure all amounts you owe us under any agreement with us, and you authorize us to file a financing statement (UCC-1). You will not change your state of organization, headquarters or residence without providing prior written notice to us so that we may amend or file a new UCC-1. You will notify us within 30 days if your state of organization revokes or terminates your existence.

4. **COLLATERAL PROTECTION; INSURANCE; INDEMNITY; LOSS OR DAMAGE:** You agree to keep the Equipment fully insured against risk and loss, with us as lender's loss payee, in an amount not less than the original cost until this Agreement is terminated. You also agree to obtain a general public liability insurance policy with such coverage and from such insurance carrier as shall be satisfactory to us and to include us as an additional insured on the policy. Your insurance policy(s) will provide for 10 days advance written notice to us of any modification or cancellation. You agree to provide us certificates or other evidence of insurance acceptable to us. If you fail to comply with this requirement within 30 days after the start of this Agreement, you agree to pay a monthly property damage surcharge ("PDS") of up to .0035 of the Equipment cost as a result of our credit risk and administrative and other costs, under the PDS program that is further described on a letter from us to you. We may make a profit on this program. Under this program, AS LONG AS YOU ARE NOT IN DEFAULT AT THE TIME OF A LOSS (excluding losses from intentional acts), the remaining balance owed on the subject Equipment will be forgiven. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF RESPONSIBILITY FOR LIABILITY INSURANCE ON THE EQUIPMENT. We are not responsible for, and you agree to hold us harmless and reimburse us for and to defend on our behalf against, any claim for any loss, expense, liability or injury caused by or in any way related to delivery, installation, possession, ownership, use, condition, inspection, removal, return or storage of the Equipment. You are responsible for the risk of loss or for any destruction of or damage to the Equipment. You agree to promptly notify us in writing of any loss or damage. If the Equipment is destroyed and you do not have the PDS program you will pay to us the unpaid balance of this Agreement, including any future rent to the end of the term plus the anticipated purchase price of the Equipment (both discounted at 3%). Any proceeds of insurance will be paid to us and credited, at our option, against any loss or damage. You authorize us to sign on your behalf and appoint us as your attorney-in-fact to endorse in your name any insurance drafts or checks issued due to loss or damage to the Equipment. All indemnities will survive the expiration or termination of this Agreement.

5. **ASSIGNMENT: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT,** without our prior written consent. Without our prior written consent, you shall not reorganize or merge with any other entity or transfer all or a substantial part of your ownership interests or assets. We may sell, assign, or transfer this Agreement without notice. You agree that if we sell, assign or transfer this Agreement, the new Lessor will have the same rights and benefits that we have now and will not have to perform any of our obligations. You agree that the new Lessor will not be subject to any claims, defenses, or offsets that you may have against us. You shall cooperate with us in executing any documentation reasonably required by us or our assignee to effectuate any such assignment. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

6. **DEFAULT AND REMEDIES:** You will be in default if: (a) you do not pay any Payment or other sum due to us or any other person when due or if you break any of your promises in this Agreement or any other agreement with us or any of our affiliates or any material agreement with any other lender; (b) you make or have made any false statement or misrepresentation to us; (c) you or any guarantor dies, dissolves or terminates existence; (d) there has been a material adverse change in your or any guarantor's financial, business or operating condition; or (e) any guarantor defaults under any guaranty for this Agreement. If any part of a Payment is more than 6 days late, you agree to pay a late charge of 10% of the Payment which is late or, if less, the maximum charge allowed by law. If you are ever in default, at our option, we can terminate this Agreement and require that you pay the unpaid balance of this Agreement, including any future Payments to the end of the term plus the anticipated purchase price of the Equipment (both discounted at 3%). We may recover default interest on any unpaid amount at the rate of 12% per year. Concurrently and cumulatively, we may also use any or all of the remedies available to us under Articles 2A and 9 of the UCC and any other law, including requiring that you: (1) return the Equipment to us to a location we specify; and (2) immediately stop using any Financed Items. In addition, we will have the right, immediately and without notice or other action, to set off against any of your liabilities to us any money, including depository account balances, owed by us to you, whether or not due. In the event of any dispute or enforcement of rights under this Agreement or any related agreement, you agree to pay our reasonable attorney's fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee. If we have to take possession of the Equipment, you agree to pay the costs of repossession, moving, storage, repair and sale. The net proceeds of the sale of any Equipment will be credited against what you owe us under this Agreement. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES FOR ANY DEFAULT, ACT OR OMISSION BY ANYONE. Any delay or failure to enforce our rights under this Agreement will not prevent us from enforcing any rights at a later time. You agree that your rights and remedies are governed exclusively by this Agreement. You waive all rights under Article 2A (50B-522) of the UCC. If interest is charged or collected in excess of the maximum lawful rate, we will not be subject to any penalties.

7. **INSPECTIONS AND REPORTS:** We will have the right, at any reasonable time, to inspect the Equipment and any documents relating to its use, maintenance and repair. Within 30 days after our request, you will deliver all requested information (including tax returns) which we deem reasonably necessary to determine your current financial condition and faithful performance of the terms hereof. This may include: (i) completed, reviewed or audited annual financial statements (including, without limitation, a balance sheet, a statement of income, a statement of cash flow, a statement of changes in equity and notes to financial statements) within 120 days after your fiscal year end, and (ii) management-prepared interim financial statements within 45 days after the requested reporting period(s). Annual statements shall set forth the corresponding figures for the prior fiscal year in comparative form, all in reasonable detail without any qualification or exception deemed material by us. Unless otherwise accepted by us, each financial statement submitted to us shall be prepared in accordance with generally accepted accounting principles consistently applied and shall fairly and accurately present your financial condition and results of operations for the period to which it pertains.

8. **FAXED OR SCANNED DOCUMENTS, MISC.:** You agree to submit the original duly signed documents to us via overnight courier the same day of the facsimile or scanned transmission of the documents. Any faxed or scanned copy may be considered the original, and you waive the right to challenge in court the authenticity or binding effect of any faxed or scanned copy or signature thereon. You agree to execute any further documents that we may request to carry out the intents and purposes of this Agreement. All notices shall be mailed or delivered by facsimile transmission or overnight courier to the respective parties at the addresses shown on this Agreement or such other address as a party may provide in writing from time to time. By providing any telephone number, now or in the future, for a cell phone or other wireless device, you are expressly consenting to receiving communications, regardless of their purpose, at that number, including, but not limited to, prerecorded or artificial voice message calls, text messages, and calls made by an automatic dialing system from us and our affiliates and agents. These calls and messages may incur access fees from your provider.

9. **WARRANTY DISCLAIMERS: YOU AGREE THAT YOU HAVE SELECTED THE SUPPLIER AND EACH ITEM OF EQUIPMENT BASED UPON YOUR OWN JUDGMENT AND YOU DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY US. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. THE SUPPLIER IS NOT AN AGENT OF OURS AND WE ARE NOT AN AGENT OF THE SUPPLIER, AND NOTHING THE SUPPLIER STATES OR DOES CAN AFFECT YOUR OBLIGATION UNDER THIS AGREEMENT. YOU WILL CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST ANY SUPPLIER, LICENSOR OR MANUFACTURER, AND ANY FAILURE OF A SERVICE PROVIDER TO PROVIDE SERVICES WILL NOT EXCUSE YOUR OBLIGATIONS TO US UNDER THIS AGREEMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, OF, AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, QUALITY, ADEQUACY, TITLE, DATA ACCURACY, SYSTEM INTEGRATION, FUNCTION, DEFECTS, OR ANY OTHER ISSUE IN REGARDS TO THE EQUIPMENT, ANY ASSOCIATED SOFTWARE AND ANY FINANCED ITEMS.**

10. **LAW, JURY WAIVER: Agreements, promises and commitments made by Lessor, concerning loans and other credit extensions must be in writing, express consideration and be signed by Lessor to be enforceable. This Agreement may be modified only by written agreement and not by course of performance. This Agreement will be governed by and construed in accordance with Minnesota law. You consent to jurisdiction and venue of any state or federal court in Minnesota and waive the defense of inconvenient forum. For any action arising out of or relating to this Agreement or the Equipment, YOU AND WE WAIVE ALL RIGHTS TO A TRIAL BY JURY.**



STATE AND LOCAL
GOVERNMENT ADDENDUM

EQUIPMENT FINANCE

AGREEMENT #
2276682

Addendum to Agreement # 2276682, between COATESVILLE CITY OF, as Customer and U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance"), as Lessor. The words you and your refer to Customer. The words we, us and our refer to Lessor.

The parties wish to amend the above-referenced Agreement by adding the following language:

REPRESENTATIONS AND WARRANTIES OF CUSTOMER: You hereby represent and warrant to us that: (a) you have been duly authorized by the Constitution and laws of the applicable jurisdiction and by a resolution or other authority of your governing body to execute and deliver this Agreement and to carry out your obligations hereunder; (b) all legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement; (c) this Agreement is in compliance with all laws applicable to you, including any debt limitations or limitations on interest rates or finance charges; (d) the Equipment will be used by you only for essential governmental or proprietary functions of you consistent with the scope of your authority, will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use, and your need for the Equipment is not expected to diminish during the term of this Agreement; (e) you have funds available to pay contracted Payments until the end of your current appropriation period, and you intend to request funds to make contracted Payments in each appropriation period, from now until the end of the term of this Agreement; and (f) your exact legal name is as set forth on page one of this Agreement.

NON-APPROPRIATION OR RENEWAL: If either sufficient funds are not appropriated to make contracted Payments or any other amounts due under this Agreement or (to the extent required by applicable law) this Agreement is not renewed, this Agreement shall terminate and you shall not be obligated to make contracted Payments under the Agreement beyond the then-current fiscal year for which funds have been appropriated. Upon such an event, you shall, no later than the end of the fiscal year for which contracted Payments have been appropriated, deliver possession of the Equipment to us. If you fail to deliver possession of the Equipment to us, the termination shall nevertheless be effective but you shall be responsible, to the extent permitted by law and legally available funds, for the payment of damages in an amount equal to the portion of contracted Payments thereafter coming due that is attributable to the number of days after the termination during which you fail to deliver possession and for any other loss suffered by us as a result of your failure to deliver possession as required. You shall notify us in writing within seven days after your failure to appropriate funds sufficient for the payment of the contracted Payments or (to the extent required by applicable law) this Agreement is not renewed, but failure to provide such notice shall not operate to extend the Agreement term or result in any liability to you.

TITLE TO THE EQUIPMENT: If the selected purchase option for this Agreement is \$1.00 or \$101.00, unless otherwise required by law, upon your acceptance of the Equipment, title to the Equipment shall be in your name, subject to our interest under this Agreement.

The parties wish to amend the above-referenced Agreement by restating the following language:

Any provision in the Agreement stating this Agreement supersedes any invoice and/or purchase order is hereby amended and restated as follows: "You agree that the terms and conditions of the Agreement and any supplement or schedule thereto and any related acceptance certificate constitutes the entire agreement regarding the financing or lease of the Equipment and supersedes any purchase order, invoice, request for proposal or other related document."

Any provision in the Agreement stating that the Agreement shall automatically renew unless the Equipment is purchased, returned or a notice requirement is satisfied is hereby amended and restated as follows: "This Agreement will renew for month-to-month terms unless you purchase or return the Equipment (according to the conditions herein) or send us written notice at least 30 days (before the end of any term) that you do not want it renewed."

