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. Arvilda Hunt
President, City Council
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
EXHIBIT “A”
PROPOSAL AND DESCRIPTION OF EQUIPMENT AND DEALER LEASE AGREEMENT
Quotation to: The City of Coatesville  
1 City Hall Place  
Coatesville, PA 19320  
Attn: Michael Trio and Ruthann Mowday  
Phone: 610-384-0300

<table>
<thead>
<tr>
<th>Qty.</th>
<th>Description</th>
<th>60 Month Lease</th>
</tr>
</thead>
</table>
| 1    | Lanier MP G6004 Color Digital Imaging System  
60 Pages per Minute in Black & White  
60 Pages per Minute in Full Color  
Network Color Printing  
Network Color Scanning to Email & Folder  
Print from/Scan to USB Flash Drive and SD Card  
Print from iOS & Android Devices via Free SmartPrint App  
Standard & Network Faxing  
250 GB Hard Disk Drive (Document Server)  
2 GB RAM  
220 Sheet Single-Pass Duplexing Document Feeder  
1 x 550 Sheet Paper Tray (8.5" x 11" only)  
3 x 550 Sheet Paper Tray (up to 12" x 18")  
1 x 1,500 Sheet Large Capacity Side Tray (8.5" x 11" only)  
100 Sheet Bypass Tray  
Stack Sorting/Stack Sorting  
Standard Duplexing (2-sided copying & printing)  
Reduction/Enlargement (25%-400%)  
1,000 Sheet Hybrid Stapling Finisher with Hole Punch Unit  
MBM 4002 Cross Cut Self-Cutting Shredder | $305.00 |

Maintenance Agreement  
Includes all parts, labor and toners. Paper/Staples not included.  
Invoiced quarterly at $192.00 per quarter.  
Includes 30,000 black and white pages.  
Black and white averages invoiced quarterly at $.0094 per page.  
Color invoiced quarterly for true usage at $.06 per page. | $50.00 |

* All pricing includes delivery, setup, training and initial network installation.  
* Includes lease satisfaction and return shipping of Lanier MP7502sp.

Date: Revised July 18th, 2017

By: John T. Kinch

[Exhibit A]
## The City of Coatesville
Copier/Printer Cost Analysis
Revised July 2017

<table>
<thead>
<tr>
<th></th>
<th>Current Equipment</th>
<th>Proposed Lease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model Number</td>
<td>Lanier MP7502ap</td>
<td>Lanier MPC5004</td>
</tr>
<tr>
<td>Number of Monthly Payments</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Monthly Lease Payment</td>
<td>$307.00</td>
<td>$305.00</td>
</tr>
<tr>
<td>Meter Type</td>
<td>Black</td>
<td>Black</td>
</tr>
<tr>
<td>Average Monthly Copy Volume</td>
<td>10,831</td>
<td>10,831</td>
</tr>
<tr>
<td>Cost per Page</td>
<td>$0.0064</td>
<td>$0.006</td>
</tr>
<tr>
<td>Monthly Maintenance Cost per Meter</td>
<td>$69.31</td>
<td>$69.31</td>
</tr>
<tr>
<td>Total Monthly Maintenance Cost</td>
<td>$69.31</td>
<td>$69.31</td>
</tr>
<tr>
<td>Average Total Monthly Investment</td>
<td>$376.31</td>
<td>$374.31</td>
</tr>
<tr>
<td>Average Monthly Savings</td>
<td></td>
<td>$2.00</td>
</tr>
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</table>
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 years } = $363.18

Divide annual financed amount by total funding amount.

$363.18 \text{ divided by } $19,484.08 = \%0.018
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 years } = -$146.69

Divide annual financed amount by total funding amount.

-$146.69 \text{ divided by } $19,484.08 = -0.0075
# Dealer Lease Agreement

**Customer Information**

<table>
<thead>
<tr>
<th>Full Legal Name</th>
<th>Street Address</th>
<th>City of Colesville</th>
<th>State</th>
<th>Zip</th>
<th>Phone</th>
<th>Fax</th>
</tr>
</thead>
</table>

**SUPPLIER INFORMATION**

<table>
<thead>
<tr>
<th>Name of Supplier</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
<th>Phone</th>
<th>Fax</th>
</tr>
</thead>
</table>

**Equipment Description**

<table>
<thead>
<tr>
<th>Model/Model/Accessories</th>
<th>Serial No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lanier MPC6004</td>
<td></td>
</tr>
</tbody>
</table>

**TERM AND PAYMENT SCHEDULE**

- **Term**: 60 Months
- **Payments**: $355.00

**End of Lease Options**

- 1) Purchase all or less than all of the Equipment for the Fair Market Value per paragraph 1.
- 2) Renew the Agreement per paragraph 1.
- 3) Return the Equipment per paragraph 3.

**Lessor Acceptance**

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
</table>

**Customer Acceptance**

- **Signature**: X
- **Title**: 
- **Date**: 

**Acceptance of Delivery**

- **Signature**: X
- **Date**: 

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This is a noncancellable/irrevocable agreement; this agreement cannot be canceled or terminated.
1. AGREEMENT: For business purposes only, you agree to loan to us the goods (the "Equipment") listed in a letter or purchase order ("Purchase Order") enclosed herewith, which is (are) identified in the attached ("Invoice"). All terms and conditions contained in the Purchase Order and this Agreement shall be deemed to be incorporated herein and made a part of this Agreement and any supplement, which (with all variations in terms) shall be the entire agreement and shall supersede any purchase order or invoice. We understand your need for speed, and we shall be willing to deliver all reasonable efforts to meet your needs. Your signature on this Agreement acknowledges these terms and conditions. Please note that your failure to sign this Agreement or any supplement shall result in the default of such Agreement and the Equipment shall remain the property of the Supplier.

2. DEPOSIT, TAXES, AND FEES: You will pay the monthly Payment as agreed in the Purchase Order, plus any applicable sales, use, and property taxes. The lease is payable in advance and is subject to change at the discretion of the Lessor. All deposits are non-refundable, and the lease shall be subject to early termination at the discretion of the Lessor.

3. MAINTENANCE AND LOCATION OF EQUIPMENT: SECURITY INTEREST: At your own risk, you agree to maintain the Equipment in good condition at all times and to make all repairs and maintenance of the Equipment as required by the manufacturer. You agree to notify us immediately of any defects or malfunctions of the Equipment and to keep the Equipment in good working order at all times. You agree to hold us harmless for any claims or damages resulting from the use of the Equipment.

4. COLLATERAL PROTECTION, INSURANCE, INDEMNITY LOSS OR DAMAGE: You agree to keep the Equipment fully insured against fire and theft, and to maintain a minimum insurance policy of the Equipment.

5. ASSIGNMENT: You have no right to sell, assign, transfer, or sublicense under the Agreement, without our prior written consent. Without our prior written consent, you may not assign or delegate your rights or obligations under this Agreement.

6. DEFAULT AND REMEDIES: You will be deemed in default if you fail to make any payment when due or fail to perform any of your obligations under this Agreement. In such event, we may (a) terminate this Agreement and repossess the Equipment, (b) demand immediate payment in full of all amounts due under this Agreement, or (c) proceed against you as a debt collector for any amounts owed.

7. INSPECTIONS AND REPORTS: We will make reasonable efforts to inspect the Equipment at least once per month, and you agree to provide us with a report of the condition of the Equipment.

8. TAXES AND FEES: All taxes and fees associated with the rental of the Equipment shall be paid by you. You agree to obtain and maintain all necessary licenses and permits required by law.

9. WARRANTY DISCLAIMERS: You agree that you have selected the Equipment and have received all information necessary to make an informed decision about the Equipment. You agree that the Supplier is not responsible for any defects or malfunctions of the Equipment.

10. LAW, JURY WAIVER: If any provision of this Agreement is held to be unenforceable, the remaining provisions shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

Page 2 of 2
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 personnel, 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 that the 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."
Any provision in the Agreement stating that you may assign this Agreement is hereby amended and restated as follows: "We may sell, assign, or transfer this Agreement without notice to or consent from you, and you waive any right you may have to such notice or consent."

Any provision in the Agreement stating that you grant us a security interest in the Equipment to secure all amounts owed to us under any agreement is hereby amended and restated as follows: "To the extent permitted by law, you grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement, and you authorize us to file a UCC-1 financing statement or be named on the vehicle title to show our interest."

Any provision in the Agreement stating that you shall indemnify and hold us harmless is hereby amended and restated as follows: "You shall not be required to indemnify or hold us harmless against liabilities arising from the Agreement. However, as between you and us, and to the extent permitted by law and legally available funds, you shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that you shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after you have surrendered possession of the Equipment in accordance with the terms of the Agreement to us or that arise directly from our gross negligence or willful misconduct."

Any provision in the Agreement stating that a default by you under any agreement with our affiliates or other lenders shall be an event of default under the Agreement is hereby amended and restated as follows: "You will be in default if: (i) you do not pay any Payment or other sum due to us under the Agreement when due or if you fail to perform in accordance with the covenants, terms and conditions of this Agreement, (ii) you make or have made any false statement or misrepresentation to us, (iii) you dissolve, terminate your existence or file bankruptcy, or (iv) there has been a material adverse change in your financial, business or operating condition."

Any provision in the Agreement stating that you shall pay our attorneys' fees is hereby amended and restated as follows: "In the event of any dispute or enforcement of rights under this Agreement or any related agreement, you agree to pay, to the extent permitted by law and to the extent of legally available funds, our reasonable attorneys' 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."

Any provision in the Agreement requiring you to pay amounts due under the Agreement upon the occurrence of a default, failure to appropriate funds or failure to renew the Agreement is hereby amended to limit such requirement to the extent permitted by law and legally available funds.

Any provision in the Agreement stating that the Agreement is governed by a particular state's laws and you consent to such jurisdiction and venue is hereby amended and restated as follows: "This Agreement will be governed by and construed in accordance with the laws of the state where you are located. You consent to jurisdiction and venue of any state or federal court in such state and waive the defense of inconvenient forum."

By signing this Addendum, Customer acknowledges the above changes to the Agreement and authorizes Lessor to make such changes. In the event of any conflict between this Addendum and the Agreement, this Addendum shall prevail. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remain binding on Customer.

<table>
<thead>
<tr>
<th>U.S. Bank Equipment Finance</th>
<th>COATSVILLE CITY OF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessor</td>
<td>Customer</td>
</tr>
<tr>
<td>Signature</td>
<td>X</td>
</tr>
<tr>
<td>Title</td>
<td>Signature</td>
</tr>
<tr>
<td>Date</td>
<td></td>
</tr>
</tbody>
</table>

NOTE: SIGNER OF THIS DOCUMENT MUST BE SAME AS ON THE AGREEMENT. A FACSIMILE OF THIS DOCUMENT WITH SIGNATURE SHALL BE CONSIDERED TO BE AN ORIGINAL. CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.

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