

Ordinance No. 00- 44

**AN ORDINANCE APPROVING A LEASE PURCHASE AGREEMENT WITH
UNITED COMMUNITY BANK**

*BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE
VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:*

SECTION 1: That certain Lease Agreement and Option to Purchase with United Community Bank, pertaining to the financing lease of a Duraco Dura-Patcher model 125DJT for a price of \$48,500, is hereby approved. A copy of the agreement is attached hereto.

SECTION 2: The Village President is hereby authorized to execute the agreement, and the proper officers of the Village are hereby authorized to carry out the agreement according to its terms.

SECTION 3: To the extent permitted by law, the source of funds for payments under the agreement shall be the Motor Fuel Fund, with the remainder of funds coming from the General Fund of the Village.

SECTION 4: This Ordinance is effective immediately.

PASSED this 22 day of August, 2000.



VILLAGE PRESIDENT

ATTEST:

ROD A. KRUEGER
Village Clerk

AYES: 4
NAYS: 0

PASSED: 8/22/00
APPROVED: 8/22/00

ABSENT: Boyle, Williamson

LEASE AGREEMENT AND OPTION TO PURCHASE

This agreement executed in duplicate between **United Community Bank's Springfield Office, of the City of Springfield, County of Sangamon and State of Illinois**, hereinafter referred to as Lessor and **Village of Chatham of the City of Chatham, County of Sangamon and State of Illinois**, hereinafter referred to as Lessee.

Lessor and Lessee, for consideration set forth below, agree:

1. LEASED EQUIPMENT

Lessor hereby agrees to lease to lessee on the terms herein contained the equipment described as follows:

Duraco Dura-Patcher model 125DJT with all standard equipment

A copy of the bill of sale for said equipment is attached hereto and incorporated herein.

2. PAYMENT OF RENTALS

The lease of the above-described equipment will be with the following terms and conditions:

- A. Initial lease payment of \$0.00 due at lease signing.
- B. Leased amount of \$48,500.00 will be paid in monthly payments in the amount of \$1,152.26 for a term of 4 years at a rate of 6.60%. The first said monthly payment shall be due and payable on the 16th day of September, 2000 with a like payment each month until the 48 payments of \$1,152.26 have been paid. If a payment is made more than 10 days after it is due, Lessee will pay a late charge of 5.0% of the late payment.
- C. Lessor hereby further agrees that Lessee has the option to purchase the above-described equipment as set forth in Article 1 by making a payment of the residual value of \$0.00 on August 16, 2004. Said option to purchase payment shall be due and payable to Lessee to Lessor within 30 days of the final monthly payment that is hereinabove provided. In the event Lessee exercised option to purchase the equipment by making the payment, Lessor agrees to take action necessary to obtain a transfer of ownership to the equipment of Lessor.

All rental and option payments shall be due by Lessee to Lessor and Lessor's address being 1900 W. Iles, Springfield, Illinois.

3. INSURANCE

Lessee agrees to obtain necessary liability insurance coverage upon the equipment herein described covering Lessee for any liability as a result of the operation of the equipment and that said insurance coverage shall name Lessor as the secondary insurer.

Lessor further agrees that Lessee shall be required to maintain property damage insurance upon the demised equipment, and in the event said equipment is damaged during the term of this lease, it shall be lessee's obligation to repair or replace said equipment. Lessee agrees to have Lessor named as secondary insured upon said insurance coverage and Lessee agrees to pay all costs pertaining to obtaining said insurance coverage. In the event Lessee shall fail to pay for or provide any insurance specified as the responsibility of Lessee, Lessor at its option may pay for such insurance and add the amount paid to the next rental payment due from Lessee. Lessee will promptly notify Lessor of any accident or incident that may result in an insurance claim.

4. USE OF EQUIPMENT

Lessee agrees that it will not use or permit the use of the equipment leased under this lease in a negligent or improper manner, or in violation of any law, or so as to avoid any insurance covering the equipment, or as a public or private livery, or permit any equipment to become subject to any lien, charge, or encumbrance.

5. MAINTENANCE

Unless otherwise agreed in writing by the parties, all service materials, and repairs in connection with the use and operation of the equipment during the lease term, including but not limited to gasoline, oil batteries, repairs, maintenance, tires, tubes, and towing necessary for the proper use and operation of said equipment, are at Lessee's expense. Lessee agrees that the oil in the crankcase shall at all times be kept at the proper level and shall be completely changed and the equipment lubricated at intervals recommended in the manual provided by the manufacturer of the equipment. Lessee shall take the equipment to the appropriate factory-authorized dealer for all service and repairs under manufacturer's warranty. Lessor shall not be liable for repairs, nor shall any such repairs be charged to Lessor.

6. RISK OF LOSS

Lessee shall bear all risks of damage or loss of equipment any portions of damage or loss not covered by insurance. All replacements, repairs, or substitution of parts of the equipment shall be at the costs and expense of the Lessee and shall be accessions to the equipment. The Lessee shall at all times, and at Lessee's expense, keep the equipment in good working order, condition and repair, reasonable wear and tear excepted. The rent on said equipment shall not be prorated or abated while either equipment is being serviced or repaired.

7. INDEMNITY

Lessee agrees to save Lessor harmless from all claims, losses, causes of action, and expenses, including legal expenses, arising from the use of maintenance, and operation of said equipment leased under this lease.

8. ADDITIONAL CHARGES

The Lessee agrees to pay all storage charges and fines. Lessee will pay any fees (including equipment and registration and inspection fees) or taxes which may be imposed with respect to such equipment by any duly constituted governmental authority as the result of the Lessee's use or intended use of the equipment.

9. TERMINATION - TRANSFER OF EQUIPMENT

The lease of the equipment herein shall terminate upon Lessee making all payment as required in paragraph 2 of this agreement. Upon Lessee making all payments required under this agreement and performing all obligations set forth in this agreement, Lessor shall be required to take the necessary action or transfer of the ownership of the equipment being leased under this agreement from Lessor to Lessee.

10. WARRANTIES

THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, BY THE LESSOR TO THE LESSEE, EXCEPT AS CONTAINED HEREIN, AND LESSOR SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE TO LESSEE, NOT TO ANYONE ELSE, OF ANY KIND AND HOWSOEVER CAUSED, WHETHER BY ANY EQUIPMENT, OR THE REPAIR OR MAINTENANCE OF ANY EQUIPMENT, OR BY THE FAILURE OF ANY EQUIPMENT, OR INTERRUPTION OF SERVICE OR USE OF ANY EQUIPMENT LEASED UNDER THIS LEASE.

11. ASSIGNMENT

Lessee agrees not to assign, transfer, sublet, pledge or encumber any of its rights under this lease, or the lease itself. Lessee hereby consents to and authorized Lessor's assignment of all rentals, charges, and other amounts payable by Lessee to Lessor, or to become payable.

12. DEFAULT

Time is of the essence of this agreement. Lessor, at its option, may by written notice to Lessee, declare this lease in default on the happening of any of the following:

- A. Default by Lessee in payment or performance of any of its obligations under this lease
- B. Voluntary assignment of Lessee's interest herein
- C. Involuntary transfer of Lessee's interest herein by operation of law

D. Expiration or cancellation of any policy of insurance agreed to be paid for by Lessee, or the cessation in force according to its original terms of such insurance, or of any extension or renewal of such insurance, during the entire term of this lease.

On declaration by Lessor that the lease is in default, the equipment then subject to the lease shall be surrendered and delivered to Lessor, and Lessor may take possession of the property wherever it may be found, with or without process of law, and for that purpose may enter on the premises of Lessee. On default, Lessee and Lessee's successor in interest, whether by operation of law or otherwise, shall have no right, title, or interest in the equipment leased under this lease, or the possession or use of such equipment, and Lessor shall retain all rents and other sums paid by Lessee under this lease with respect to all such equipment. The rights and remedies of Lessor under this lease are not exclusive, but cumulative and in addition to all other rights and remedies provided by law.

13.WAIVER

Failure of Lessor in any one or more instances to insist on the performance of any of the terms of this lease, or to exercise any right or privilege conferred herein, or the waiver of any breach of any terms of this lease shall not thereafter be construed as a waiver of such terms, which shall continue in force as if no such waiver had occurred.

14.NOTICES

Notices provided for under this lease shall be deemed given when mailed to the address of the Lessee and Lessor, as contained in this lease.

15.SUCCESSION

This agreement shall be binding on and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties to this lease.

DATED this _____ day of _____, 2000.

UNITED COMMUNITY BANK
Springfield, Illinois

LESSOR: United Community Bank

LESSEE: _____

By: _____

By: _____

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 00-___, adopted by the President and Board of Trustees of said Village on the ___ day of _____, 2000, said Ordinance being entitled:

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I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this ___ day of _____, 2000.

Village Clerk