

Ordinance No. 01- 63

**AN ORDINANCE APPROVING A AN EQUIPMENT LEASE WITH GE
CAPITAL PUBLIC FINANCE, INC.**

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

SECTION 1: That certain proposal from GE Capital Public Finance, Inc., regarding a lease of equipment, a copy of which is attached hereto, is hereby approved. The lease will be for a term of 36 months at an interest rate of 4.61% in the principal amount of \$128,262.

SECTION 2: The Village President is hereby authorized to execute a lease conforming to the attached proposal, and thereafter, the proper officers and employees of the Village are authorized and directed to carry out the lease according to its terms and to take title to the equipment at the end of the lease.

SECTION 3: This Ordinance is effective upon its passage by a 2/3 vote of the corporate authorities, in accordance with Section 11-16-1 of the Illinois Municipal Code.

PASSED this 9 day of OCTOBER, 2001.



ATTEST:

Pats Carol
Village Clerk

Thomas S Gray
VILLAGE PRESIDENT

AYES: 6

NAYS: 0

PASSED: 10-9-01

APPROVED: 10-9-01

ABSENT: 0

**GE Capital**

GE Capital Public Finance, Inc.
A unit of General Electric Capital Corporation
8400 Normandale Lake Boulevard, Suite 470
Minneapolis, MN 55437-1079
952 897-5600, Fax: 952 897-5601

October 9, 2001

VIA FACSIMILE

Ms. Sherry Dierking
Village of Chatham
Chatham, IL

RE: Financing of Two Caterpillar Backhoes and a 1998 Caterpillar Wheel Loader

Dear Ms. Dierking:

GE Capital Public Finance, Inc. (GECPF) is pleased to confirm its interest in providing financing in the approximate amount of \$128,264, with reference to the above transaction. Our proposal is structured to meet your needs as outlined. A general outline of the terms and conditions (the "Term Sheet") of our proposal is enclosed. The Term Sheet includes basic assumptions and customized terms which detail the relevant economics of your transaction. We expect that you will honor our request to keep this proposal confidential.

As with any proposal, this letter and Term Sheet do not constitute a commitment as a commitment to provide financing depends on approval by GECPF's credit committee, documentation that is acceptable to both parties and fulfillment of all items noted in the Term Sheet. This letter and the enclosures are not intended to create a binding legal obligation by either party, rather, it confirms our interest in working with you. If the proposal is satisfactory, please acknowledge your acceptance by signing the Term Sheet in the space provided and returning the executed copy to GECPF. Upon receipt of all required information as detailed in the Term Sheet, we will proceed with our review.

Firm Profile

GECPF is a direct source of funds through GE Capital Services, a "AAA" rated company with over \$350 Billion in assets. GECPF is an industry leader in the tax-exempt market and has the ability to hold transactions in the GE portfolio. GECPF has been providing tax-exempt financing to state and local governments since 1979.

Over the past 21 years, GECPF has been extremely active in providing tax-exempt financing and has successfully funded thousands of transactions for state, cities, counties, universities and school districts throughout the country. GECPF's portfolio is excess of \$1.5 Billion.

GECPF is headquartered in Minneapolis, Minnesota. It has a total of 40 employees. Within the Minneapolis headquarters there are the following functions: Management, Sales, Credit, Legal, Operations and Administration. Also, GECPF has five direct market regional sales offices located in New Jersey, Florida, Texas, Minnesota and California.

This proposal will expire on October 10, 2001. If the proposal is accepted by October 3, 2001, the interest rate will be internally locked for funding directly to the vendor or into an escrow account by October 31, 2001.

We look forward to your response. Please call me at (800) 348-3164 extension 5656 with any questions you may have. We appreciate having the opportunity to provide you a proposal and look forward to working with you on this transaction.

Very truly yours,



Lauri P. Salverda
Business Development Manager

Enc.

TERM SHEET

LESSEE: Village of Chatham, IL
LESSOR: GE Capital Public Finance, Inc.
TOTAL PRINCIPAL: \$128,200 *2*
EQUIPMENT: Two New Caterpillar Backhoes and a 1996 Caterpillar Wheel Loader

TERM, INTEREST RATE AND LEASE PAYMENT:

Assumes payments are made monthly in arrears.

Term	Interest Rate	Lease Payment
36 months	4.61%	\$3,621.89
48 months	4.76%	\$2,841.46
60 months	4.93%	\$2,416.46

FUNDING: Must occur by October 31, 2001.**PROPOSAL EXPIRATION:** This proposal must be accepted by October 10, 2001.

If an acceptance is not received by this date, the quoted interest rate will adjust to current market conditions.

If your acceptance is received prior to the proposal expiration date, the interest rate is firm through October 31, 2001. All fundings must occur on or before this date for GECPF to hold this rate. If the transaction is not funded by this date, the quoted interest rate will adjust to current market conditions.

PREPAYMENT: The Lessee will build equity in the equipment with each Lease payment and will have the option to prepay its obligations on any payment due date as specified in the Lease. The Lessee will own the equipment free and clear of GECPF's lien after the last Lease payment.

NET LEASE: All obligations, costs and responsibilities associated with ownership of the equipment will be borne by the Lessee including insurance, maintenance, and applicable taxes.

FINANCIAL INFORMATION: This proposal is subject to, among other things, GECPF's approval of the Lessee's financial condition. The last (3) three years of audited financial statements for the Lessee will be required for GECPF's credit review.

NON-APPROPRIATION: The Lease is subject to termination by the Lessee in the event funds for payment of the Lease are not appropriated for a given fiscal year.

DOCUMENTATION: Documents shall include a Master Lease Agreement (the "Lease") and certificates as are reasonably necessary to



ALTORFER INC.



CEDAR RAPIDS
(319) 385-0551

DAVENPORT
(319) 324-1935

E. PEORIA
(309) 694-1234

HANNIBAL
(573) 221-8600

MOBERLY
(660) 283-8200

ROCK FALLS
(815) 825-8774

SPRINGFIELD
(217) 529-5541

URBANA
(217) 359-1871

Mail Payment To: P.O. Box 1347, Cedar Rapids, IA 52406

PURCHASE AGREEMENT

SOLD TO: <u>Village of Chatham</u> STREET <u>116 E Mulberry</u> CITY <u>Chatham</u> STATE <u>IL</u> ZIP CODE <u>62629</u> COUNTY <u>Sangamon</u> SHIP TO: <u>Alberta Spfl</u> PO# <u>11774 + 11773</u>	CUSTOMER NO. M- <u>153710</u>	<input type="checkbox"/> Name & Address	<input type="checkbox"/> Warranty
	ITEM NO. <u>New</u>	<input type="checkbox"/> Shipping Instructions	<input type="checkbox"/> Freight
F.O.B. <u>Customer</u>	<input type="checkbox"/> County	<input type="checkbox"/> Taxes	<input type="checkbox"/> Bank Name & Address
VIA <u>"Best Way"</u>	<input type="checkbox"/> Terms	<input type="checkbox"/> Trade In	<input type="checkbox"/> Insurance
APPROX. SHIPPING DATE	<input type="checkbox"/> Serial Numbers	<input type="checkbox"/> Legal Signature & Title	<input type="checkbox"/> Contract Charge
	<input type="checkbox"/> Bill of Sale	<input type="checkbox"/> Condition of Trade In	<input type="checkbox"/> UCC-1 Financing Statement

TERMS:

Cash Cash on Invoice
 Cash on Delivery Payment Plan Below

CREDIT DEPARTMENT APPROVAL

BY _____ DATE _____

MACHINE (MAKE, MODEL AND SERIAL NUMBER)	AMOUNT
2 New Caterpillar 420D backhoe loaders	113,328.00
Standard equipped plus the following:	
1.25 MP bucket w/ forks	
Rear stabilizer pads	
24" GP backhoe bkt w/ Spade teeth	
5yr / 7500 hr Powertrain Warranty	
Ride Control	
1/2 - Water	
1/2 - Streets	
less Trade: <17,500>	
Total: 195,828.00	

PAYMENTS OVER _____ MONTHS

BALANCE \$ _____
FINANCE CHARGES \$ _____
TOTAL BALANCE \$ _____

MONTHLY PAYMENTS

AMOUNT	STARTING	TOTAL
OF \$ _____		\$ _____
OF \$ _____		
OF \$ _____		
OF \$ _____		

SAFETY: Attachments for the above machine have been reviewed and checklist AE070080 read by me.
PRICE ESCALATION: This order is taken and signed with the understanding that it comes with it an escalation clause which means that price in effect at time of shipment will apply.

BILL OF SALE FOR PROPERTY TAKEN IN TRADE

For value received, I/we hereby bargain and sell, grant and deliver to ALTORFER INC.

Make CASE Model 580SK
Serial No. JJG0183634

I/We hereby certify that there is no lien, claim, debt, mortgage or encumbrance of any kind, nature or description against this property now existing, of record or otherwise, and that same is free and clear and is my/our sole and absolute property.

[Signature]
Customer Signature

THIS ORDER IS MADE AND ACCEPTED SUBJECT TO THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE HEREOF. ANY DIFFERENT OR ADDITIONAL TERM IN YOUR ACCEPTANCE OF THIS OFFER ARE HEREBY OBJECTED TO.

[Signature] CUSTOMER SIGNATURE TITLE Public Works Director

BY _____
BY _____
CUSTOMER PURCHASE ORDER NO. _____
DATED THIS 30 DAY OF August 2001
ACCEPTANCE RECOMMENDED BY SALESMAN [Signature]

BANK _____
ADDRESS _____
INSURANCE: SELF ALTORFER
AGENT _____
ADDRESS _____
ACCEPTED THIS _____ DAY OF _____
ALTORFER INC.
BY _____

evidence and carry out the transactions including representations, warranties and indemnities which are deemed appropriate by GECPF.

SECURITY INTEREST:

A first priority security interest in the Equipment will be granted to the Lessor.

EQUIPMENT FINANCING APPROVAL:

GECPF requires that all equipment to be financed be approved by GECPF's credit department. By execution of a Lease, GECPF is not committing to finance equipment. Each request for equipment financing will be individually reviewed and approved or disapproved by GECPF. All equipment to be financed must be considered personal property. If progress payments are required, payments will only be made to the vendor for functionally complete and operationally independent portions of the project or the Lessor may require a guarantee from the equipment vendor for the construction period.

ASSIGNMENT:

GECPF may assign its rights to enter into the Lease and its rights as Lessor under the Lease.

LEGAL OPINIONS:

Lessee's Counsel shall provide an opinion as to legality, enforceability, authority, title and execution and effect of the Lease and other documents in form and substance satisfactory to GECPF.

The enclosed letter and Term Sheet express the willingness of GECPF to seek the additional approvals necessary for the transaction. Neither our letter nor the Term Sheet constitutes a commitment. Any such commitment would require the prior approval of GECPF's credit committee and the negotiation of a definitive structure and documents. No rights, liabilities or obligations shall arise as a result of our letter, the Term Sheet or discussions we have had or may have in the future prior to execution of the definitive documents and the satisfaction of each precondition to closing. Further, notwithstanding the execution of such documents, in the event a bid protest or any other challenge to the transaction is made prior to the funding of all or part of the transaction, GECPF shall have no obligation to proceed with the transaction. GECPF may decline further consideration of the transaction at any point in the approval process.

PROPOSAL ACCEPTED BY:

Village of Chatham, IL, Lessee

Signature: Thomas S Gray

Name: THOMAS S. GRAY

Date: OCTOBER 9, 2001

Federal Tax ID#: _____

Organizational #: _____ (if available)

E-mail Address: _____



ALTORFER INC.



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(217) 359-1671

Mail Payment To: P.O. Box 1347, Cedar Rapids, IA 52406

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	ITEM NO. <u>4N211</u>	<input type="checkbox"/> Shipping Instructions	<input type="checkbox"/> Freight
	F.O.B. <u>Customer</u>	<input type="checkbox"/> County	<input type="checkbox"/> Taxes
	VIA <u>Customer</u>	<input type="checkbox"/> Terms	<input type="checkbox"/> Bank Name & Address
	APPROX. SHIPPING DATE <u>8-20-01</u>	<input type="checkbox"/> Trade In	<input type="checkbox"/> Insurance
		<input type="checkbox"/> Serial Numbers	<input type="checkbox"/> Legal Signature & Title
	<input type="checkbox"/> Bill of Sale	<input type="checkbox"/> Contract Charge	
	<input type="checkbox"/> Condition of Trade In	<input type="checkbox"/> UCC-1 Financing Statement	

TERMS:

Cash
 Cash on Delivery
 Cash on Invoice
 Payment Plan Below

CREDIT DEPARTMENT APPROVAL

BY _____ DATE _____

MACHINE (MAKE, MODEL AND SERIAL NUMBER)	AMOUNT
1 1996 Caterpillar IT24-E s/n 4NN000746	\$32,434.00
Standard equipped plus the following:	
AM/FM Radio	
Aftermarket install Ride Control	
Wire w/As is	
	Tax: (Grant)
	Total: \$32,434.00

PAYMENTS OVER _____ MONTHS

BALANCE \$ _____
 FINANCE CHARGES \$ _____
 TOTAL BALANCE \$ _____

MONTHLY PAYMENTS

AMOUNT	STARTING	TOTAL
OF \$ _____		\$ _____
OF \$ _____		
OF \$ _____		
OF \$ _____		

SAFETY: Attachments for the above machine have been reviewed and checked at AE070080 read by me.

PRICE ESCALATION: This order is taken and signed with the understanding that it carries with it an escalation clause which means that price in effect at time of shipment will apply.

BILL OF SALE FOR PROPERTY TAKEN IN TRADE

For value received, I/we hereby bargain and sell, grant and deliver to ALTORFER INC.

Make _____ Model _____

Serial No. _____

I/We hereby certify that there is no lien, claim, debt, mortgage or encumbrance of any kind, nature or description against this property now existing, of record or otherwise, and that same is free and clear and is my/our sole and absolute property.

Customer Signature

THIS ORDER IS MADE AND ACCEPTED SUBJECT TO THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE HEREOF. ANY DIFFERENT OR ADDITIONAL TERM IN YOUR ACCEPTANCE OF THIS OFFER ARE HEREBY OBJECTED TO.

CUSTOMER SIGNATURE

TITLE City Clerk

BY _____

CUSTOMER PURCHASE ORDER NO. _____

DATED THIS 30 DAY OF August, 2001

ACCEPTANCE RECOMMENDED BY _____

SALESMAN Mike

BANK _____

ADDRESS _____

INSURANCE: SELF ALTORFER

AGENT _____

ADDRESS _____

ACCEPTED THIS _____ DAY OF _____

ALTORFER INC.

BY _____

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)

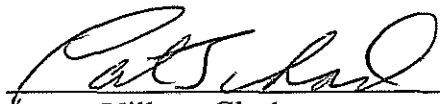
I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 01-63, adopted by the President and Board of Trustees of said Village on the 9 day of OCTOBER, 2001, said Ordinance being entitled:

**AN ORDINANCE APPROVING A AN EQUIPMENT LEASE WITH GE
CAPITAL PUBLIC FINANCE, INC.**

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 9 day of OCTOBER, 2001.



Village Clerk

