



**Geneva Community Unit School District 304**  
Donna V. Oberg - Assistant Superintendent - Business Services  
227 North Fourth Street, Geneva, IL 60134  
Phone: (630) 463-3030 Fax: (630) 463-3031  
E-mail – [doberg@geneva304.org](mailto:doberg@geneva304.org)

## Memorandum

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To: Kent Mutchler, Superintendent  
CC: Board of Education

From: Donna Oberg, Assistant Superintendent – Business Services

Date: April 10, 2014

Re: Authorization to Continue Yearly Lease of Two (2) Multifunction School Activity Buses (MFSAB)

For the past several years, the District approved the lease of two (2) Multifunction School Activity Buses. The buses are managed by the Athletic department at Geneva High School.

From July 2013 to February 2014, the buses have been driven more than 4,000 miles on over 140 trips. Driver hours total close to 900 hours with a savings realized in excess of \$16,000. The MFSAB gets slightly better gas mileage than a 71 passenger bus with a cost savings of approximately \$500. With an additional 4 months of use for this school year, the savings will more than cover the cost of the leases (\$16,192).

The MFSAB with 15 passengers or less does not require a CDL license; the driver need only possess a valid driver's license, however, any person driving the MFSAB would be trained to operate the vehicle prior to use.

It is my recommendation to continue the lease on the two (2) 14 passenger Multifunction School Activity Buses for the 2014-2015 school year. The cost of the lease for bus one is \$7,732 and for bus two is \$8,460 for a total of \$16,192.



Midwest Transit Equipment, Inc.  
146 W. Issert Drive • P.O. Box 582  
Kankakee, IL 60901  
(800) 933-2412

February 23, 2014

Geneva Community Unit School District 304  
Donna Oberg  
227 N. 4<sup>th</sup> Street  
Geneva, IL 60134

Donna,

Thank you for allowing Midwest Transit Equipment, Inc. the opportunity to furnish these quotes on your activity bus equipment needs. We are quoting lease extensions on your current 2011 and 2012 buses.

QUOTE A

Lease extension on the 2011 Chevrolet-Collins 14 passenger white activity bus the District is currently leasing. This is a one year lease plan with payment due on July 15, 2014. Current lease price is \$8,142.00 based on 12,000 annual miles.

Annual Payment: \$7,732.00.

QUOTE B

Lease extension on the 2012 Chevrolet-Starcraft 14 passenger white activity bus the district is currently leasing. This is a one year lease plan with payment due on July 15, 2014. Current lease is \$8,850.00 based on 12,000 annual miles.

Annual Payment: \$8,460.00.

The District will have the option to extend the lease or purchase after the term.

Thank you again for this opportunity. I can be reached in the office at (800) 933-2412 ext 1476, cell at (219) 688-7527, or email at [scott.vanderlee@midwesttransit.com](mailto:scott.vanderlee@midwesttransit.com).

Sincerely,

Scott Vanderlee  
Sales Manager- School Bus

**Leased Vehicle Assignment Agreement**

<b>Midwest:</b> Midwest Transit Equipment, Inc. 146 W. Issert Drive, P.O. Box 582, Kankakee, IL 60901 Attn: Chris Lounsbury Telephone: 815-933-2412 Fax: 815-933-3966 Email: <a href="mailto:chris.lounsbury@midwesttransit.com">chris.lounsbury@midwesttransit.com</a>	<b>Lessee:</b> Name: Geneva C.U.S.D. #304 Address: 227 North Fourth Street, Geneva, IL 60134 Attn: Donna Oberg, Asst. Supt. of Business Telephone: 630-463-3030 Fax: 630-463-3009 Email: <a href="mailto:doberg@geneva304.org">doberg@geneva304.org</a> State of Organization: Illinois
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**The Parties Agree as follows:**

Date of This Agreement: March 5, 2014	"Transfer Date" (i.e. the date Lessee will terminate Lease and assign Vehicles to Midwest) July 1, 2015
Date of Termination of Lease by its terms: August 1, 2019	

1. **LEASE.** Contemporaneously with the execution of this Agreement, Lessee is entering into a Municipal Lease Agreement (the "Lease") with Sovereign Leasing, Inc. ("Lessor"), a true, accurate and complete copy of which is attached to this Agreement as **Exhibit A**, pursuant to which Lessee is leasing those busses identified in the schedule attached to the Lease (the "Vehicles").

2. **ASSIGNMENT.** Lessee hereby assigns to Midwest the exclusive right to acquire legal title to the Vehicles upon the termination of the Lease in accordance with **Section 3** of the Lease (including without limitation, any termination arising out of an Event of Non-Appropriation, as provided in **Section 4** of the Lease). In addition to the foregoing, Lessee hereby acknowledges that Midwest is the assignee identified in **Section 18** of the Lease, and assigns to Midwest the exclusive right to acquire legal title to the Vehicles upon termination of the Lease in accordance with **Section 18** of the Lease.

3. **COVENANTS OF LESSEE.** During the term of the Lease, Lessee shall: (1) pay and perform all obligations under the terms of the Lease arising or accruing prior to the date of termination, including without limitation, the obligation to pay rent and other payments due under the Lease and to maintain insurance, (2) operate and maintain all Vehicles in accordance with **Exhibit B** (the "Guidelines"), (3) deliver to Midwest a copy of any notices given or received by Lessee under the terms of the Lease, and (4) if any one or more Vehicles are not operated and maintained in accordance with the Guidelines and delivered to Midwest in the condition required under the Guidelines, Lessee shall pay to Midwest on the termination date an amount equal to the cost to repair and replace the Vehicle caused by Lessee's failure. Lessee shall deliver all notices required in a timely fashion and shall terminate the Lease in accordance with **Section 18** of the Lease effective as of the Transfer Date. Lessee shall not terminate the Lease pursuant to **Section 18** of the Lease prior to the Transfer Date.

4. **CLOSING.** On the Lease termination date (which the parties agree is intended to be the Transfer Date set forth above): (1) Lessee shall deliver the Vehicles to Lessor at the address designated by Midwest in the condition required pursuant to the Guidelines, (2) Lessee shall pay to Lessor any amounts then due and owing under the Lease which are accrued but unpaid, (3) Midwest shall pay to Lessor all amounts due and owing under the Lease on termination, as set forth on the Schedule attached to the Lease, and (4) Lessee shall pay to Midwest the amounts due pursuant to **Section 3(4)** of this Agreement.

5. **LESSEE'S REPRESENTATIONS.** Lessee hereby represents and warrants that: (1) Lessee is a political subdivision of the State of Organization (set forth above), existing and operating under the constitution and law of the State of Organization, (2) the Lease and this Agreement have been duly authorized and have been executed by an authorized representative, (3) the Lease and this Agreement create a legal, valid and binding obligation of the Lessee, and the Lease and this Agreement are enforceable in accordance with their respective terms, and (4) the Vehicles are not being used for other than a public purpose.

6. **GOVERNING LAW; SUCCESSORS.** This Agreement shall be governed in accordance with the laws of the State of Illinois and shall be binding upon Midwest and Lessee and their respective successors and assigns. Neither the Lease nor this Agreement may be assigned by Lessee without Midwest's prior written consent.

**MIDWEST:**

Midwest Transit Equipment, Inc. a Nevada corporation

By: \_\_\_\_\_

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

**LESSEE:**

Geneva C.U.S.D. #304

By: \_\_\_\_\_

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

**Please have notary sign and stamp below, or use school seal stamp.**

"Signed and sworn before me this \_\_\_\_ day of \_\_\_\_\_"



## **ACCEPTANCE GUIDELINES FOR RETURN OF LEASED VEHICLES**

### **LEASE-END:**

MIDWEST TRANSIT WANTS TO MAKE SURE THAT YOUR END-OF-LEASE EXPERIENCE IS AS CONVENIENT AND HASSLE FREE AS POSSIBLE. TO HELP YOU THROUGH OUR LEASING PROCESS WE HAVE CREATED SOME BASIC GUIDELINES FOR YOU TO FOLLOW.

### **PREVENTION OF WEAR AND USE:**

ALWAYS ABIDE BY AND STAY IN ACCORDANCE TO THE MANUFACTURER'S RECOMMENDATIONS. TO MAINTAIN YOUR VEHICLE AND KEEP IT IN GOOD CONDITION:

- CHANGE THE OIL AND OIL FILTER REGULARLY BASED ON MILEAGE AND HOURLY REQUIREMENTS
- ROTATE TIRES AND MAINTAIN TIRE PRESSURE
- INSPECT AND REPLACE BELTS AND HOSES
- MAINTAIN FLUID LEVELS
- WASH BUS THOROUGHLY UNDERNEATH, ESPECIALLY AREAS WHERE SALT IS SPREAD FROM MELTING OF SNOW AND ICE

### **MILEAGE LIMIT:**

IF YOU SURPASS THE MILEAGE ALLOWANCE FOR YOUR LEASE TERM, YOU WILL BE SUBJECT TO A PREDETERMINED MILEAGE FEE AS OUTLINED IN THESE GUIDELINES.

### **WEAR AND TEAR GUIDELINES:**

AS YOU NEAR THE END OF YOUR LEASE, IT'S IMPORTANT THAT YOU UNDERSTAND THE RESPONSIBILITIES FOR YOUR VEHICLE MAINTENANCE AND REPAIR USE. THE FOLLOWING GUIDELINES SHOULD BE USED TO APPRAISE THE CONDITION OF YOUR VEHICLE. ANY VEHICLE RETURNED WITH "NORMAL WEAR AND TEAR" WILL BE ACCEPTABLE.

### **NOTE:**

LESSEE WILL RETURN THE BUSES TO THE DISTRIBUTOR WHO FURNISHED THE BUSES TO LESSEE ON THE INSTRUCTIONS OF LESSOR. ALL THE EQUIPMENT AND ACCESSORIES ORIGINALLY FURNISHED WITH THE BUSES WILL BE IN PLACE AND IN GOOD OPERATING CONDITION. IF THE LESSOR/DISTRIBUTOR HAS TO PERFORM REPAIRS FOR THE FOLLOWING DEFECTS, THE LESSEE WILL BE RESPONSIBLE FOR PAYMENT AT THE TIME OF INVOICE.

### **"NORMAL WEAR AND TEAR" WILL NOT INCLUDE:**

- MISMATCHED (SIZES OR TYPES) TIRES WITH LESS THAN FORTY PERCENT (40%) OF TREAD REMAINING
- TIRES WHICH ARE RE-CAPPED, DAMAGED, GOUGED, CUT OR DETERMINED BY DISTRIBUTOR TO BE IN AN UNSAFE OPERATING CONDITION
- BRAKE SHOES AND PADS MUST HAVE BEEN REPLACED WITHIN 15,000 MILES OF WHEN EACH BUS IS RETURNED TO THE LESSOR
- BODY CREASED, GOUGES, DENTS, OR NON-BUFFABLE PAINT SCRATCHES OR SCUFFS. EXCESSIVE BODY DIMPLES AND/OR DINGS REQUIRING METAL AND/OR PAINT WORK TO RESTORE TO ACCEPTABLE "NORMAL" CONDITION
- ANY PAINT DAMAGE DUE TO SANDBLASTING, HAIL, ROAD TAR, TREE SCRAPES, AND/OR CHEMICAL FALLOUT
- ANY DEFECTIVE PAINT OR BODY REPAIRS DUE TO SUB-STANDARD REPAIRS, MUST BE ORIGINAL EQUIPMENT MANUFACTURER (OEM) PARTS
- ANY LESSEE APPLIED PAINT OF IDENTIFICATION WHICH CANNOT BE REMOVED WITHOUT METAL AND/OR PAINT WORK
- ANY DAMAGE TO INTERIOR LINING, BULKHEADS, SCUFF PLATES, LIGHTS, ROOF BOWS OR SUPPORTS, INCLUDING BUT NOT LIMITED TO CRACKS, BREAKS, TEARS, GOUGES, OR ANY OTHER DAMAGE WHICH MAKES VEHICLE UNABLE TO PASS ANY STATE OR LOCAL SAFETY INSPECTION
- BROKEN AND/OR INOPERATIVE FRONT, REAR, OR SIDE LIGHT(S), MARKER(S), OR REFLECTOR(S)

- BENT, TWISTED, DENTED, DINGED, OR GOUGED BUMPER(S) AND/OR DOOR(S)
- ANY HOLES OR OTHER MODIFICATIONS MADE TO THE VEHICLE, WHETHER INTERIOR OR EXTERIOR, FOR THE INSTALLATION OF ANY ADDITIONAL EQUIPMENT BY THE LESSEE AND/OR DRIVER(S) OF THE VEHICLE WHICH ARE NOT COMPLETELY REMOVED AND/OR REPAIRED
- ANY MECHANICAL REPAIRS ON ANY COMPONENTS OR SUSPENSION WHICH MAY BE REQUIRED DUE TO ABUSE, ACCIDENT, NEGLIGENCE, OR THE LACK OF PROPER MAINTENANCE, OR ANY REPAIRS REQUIRED WHICH ARE NOT CONSIDERED "NORMAL WEAR AND TEAR"
- EACH BUS MUST HAVE A CURRENT STATE INSPECTION STICKER WITH AN EXPIRATION DATE AT LEAST THREE MONTHS FOLLOWING THE MONTH IN WHICH THE BUS IS RETURNED TO LESSOR. EACH BUS MUST BE CLEAR OF MECHANICS' AND OTHER LIENS
- TORN, PUNCTURED, BURNED, VANDALIZED OR OTHERWISE DAMAGED UPHOLSTERY WILL BE REPLACED PRIOR TO RETURNING THE BUS TO THE LESSOR/DISTRIBUTOR
- WINDSHIELD CRACKS OR STARS MORE THAN ¼" DIAMETER OR ANY CRACKS OR STARS WITHIN THE SWEEP OF THE WINDSHIELD WIPERS
- BUS IS TO BE CLEANED INSIDE AND OUT, FLOORS FREE FROM GUM, TAR, AND GARBAGE. EXTERIOR SHALL BE CLEAN
- FLOORS TO BE FREE FROM ALL SPORTS SHOE SPIKE DAMAGE OR STAINS FROM SPILLS OF LIQUIDS
- ANNUAL MILEAGE ALLOWANCE = 12,000 . \$0.35 PER MILE WILL BE ASSESSED TO THE LESSEE IF MILEAGE OVER THE ALLOWABLE AMOUNT, DUE UPON RECEIPT OF INVOICE
- LESSOR HAS ASSIGNED MIDWEST TRANSIT EQUIPMENT AS ITS AGENT FOR THE INSPECTION OF THESE BUSES UPON RETURN

DISTRIBUTOR: MIDWEST TRANSIT EQUIPMENT, INC LESSEE: GENEVA C.U.S.D. #304  
 /AGENT

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_