

CITY OF HANCOCK COUNCIL MEETING MINUTES  
WEDNESDAY, MARCH 20, 2024  
HANCOCK CITY HALL, 399 QUINCY STREET  
Public viewing available via ZOOM Meeting ID: 821 4402 1682

**Public Hearing:** Sale of Real property at the corner of Captain's Drive and Campus Drive previously Spruce Haven Lot 27.

No Public Comments

**Regular Meeting - 6:01 P.M.**

Call to order and pledge of allegiance led by Mayor Kurt Rickard

Roll Call and verification of quorum

Present: Councilors Blau, Freeman, Rickard, Tanner, Lounibos, Warstler

Absent: Councilor McKenzie

Motion by Councilor Blau and supported by Councilor Tanner to excuse Councilor McKenzie from tonight's meeting.

Yes: All

No: None

Motion Carried

**Also Present in person:** Bill Lepisto, John Zurcher, John Erickson, Tami Sleeman, Glenn Anderson, Michael Markham, Phi Kappa Tau member, Mary Babcock, Linda Kalinec and other members of the public.

**Also Present via Zoom:** None

**Review and Approval of agenda**

Motion by Councilor Warstler and supported by Councilor Lounibos to approve the agenda with the addition of New Business item #14 to consider approval of Resolution 24-08 Installment Purchase Agreement to acquire a 930M Wheel Loader Cat/KTG04439 in the amount of a\$77,280 for a 5-year term at a rate of 5.87% per year.

Yes: All

No: None

Motion Carried

**Public Comment**

General Public Comment:

No Comments

Resolution 24-06 – Submission of the Michigan Natural Resources Trust fund Grant Application for the HOCO Ice Arena Elevator Improvements:

No Comments

Resolution 24-07 – Submission of the Land and Water Conservation Fund Grant application for the Porvoo Park Boardwalk and Transient Boat Docks:

No Comments

**Communication**

Copper Country Art Center

Motion by Councilor Warstler and supported by Councilor Freeman to accept and place on file the communications as presented.

Yes: All

No: None

Motion Carried

**Review and acceptance of meeting minutes**

Planning Commission	January 22, 2024
Recreation Commission	January 9, 2024
Portage Lake Water and Sewage Authority	February 13, 2024
Downtown Development Authority	December 4, 2023
Downtown Development Authority	January 8, 2024

Motion by Councilor Blau and supported by Councilor Warstler to accept and place on file the meeting minutes as presented.

Yes: All

No: None

Motion Carried

**Review and approval of City Council meeting minutes**

Regular Meeting	February 21, 2024
Closed Session	February 21, 2024

Motion by Councilor Tanner and supported by Councilor Warstler to approve and place on file the meeting minutes of the City Council Regular meeting of February 21, 2024 and the Closed Session Minutes of February 21, 2024 as presented.

**Administrative Report**

City Manager, Babcock, gave updates on the following:

- Kids Day, March 23<sup>rd</sup>.
- Easter Egg Hunt, March 30<sup>th</sup>.
- Recreation Site guide signs will be placed in 12 parks.
- Retirement Reporting Form 5572 & MERS funding level.
- Call for Artists for mural project.
- HOCO signage is 75% completed
- Recreation Commission summer projects include bathroom upgrades at the beach bathhouse.
- OHM has started the Finlandia Building Feasibility Study.
- Downtown survey is going out as part of the Main Street process.
- Spring cleanup will be May 10<sup>th</sup> and 11<sup>th</sup>. We will be doing pick up days for senior citizens.
- Remote worker event at Sun Flower Books & Coffee went well.
- Joint meeting with Houghton is on April 3<sup>rd</sup> at the Lakeshore building.
- Budget sessions coming up, calendar invites went out to the council members.
- There will be 2 Match on Main grants available, so far Melissa Davis will be applying for one for the Saturday Store.

Police Chief, Sleeman, gave updates on the following:

- Ben Galetto is doing well at the academy; he will finish up in May.
- Puppy Parade for sexual assault awareness will be on April 25<sup>th</sup>.
- Working with Copper Shores for the Ride Your Bike to School Day.

DPW Director, Erickson, gave updates on the following:

- With the lack of snow, the DPW crew has been working on various projects including the beach bathrooms, building picnic tables, City Hall kitchenette upgrades.
- Summer rink rentals are for the most part full.
- Old Timers Tournament.

Clerk/Treasurer, Kalinec, gave updates on the following:

- Election went well with all precincts voting at Lakeview Manor.
- Clerk/Treasurers office has been closed from 12 noon – 1:00 pm the past 2 Thursdays and the upcoming Thursday for training on OMA, Parliamentary procedures and Components of Extraordinary Governance.
- There has not been any ZOOM attendance for the Council meetings recently, should it be continued?

### **New Business**

1. Motion by Councilor Blau and supported by Councilor Tanner to approve the Michigan Department of Transportation contract 24-5004 Category “B” funded project in the amount of \$521,643.00 for work to be completed along North Street and Prospect Street.

Roll Call

Yes: Warstler, Lounibos, Tanner, Rickard, Freeman, Blau

No: None

Motion Carried

2. Motion by Councilor Blau and supported by Councilor Lounibos to approve the Michigan Department of Transportation contract 24-5005 Category “B” funded project in the amount of \$755,444.00 for work to be completed along on Minnesota Street.

Roll Call:

Yes: Blau, Freeman, Rickard, Tanner, Lounibos, Warstler

No: None

Motion Carried

3. Motion by Councilor Warstler and supported by Councilor Tanner to accept the 2023 Water Quality Consumer Confidence Report.

Yes: All

No: None

Motion Carried

4. Motion by Councilor Tanner and supported by Councilor Freeman to approve the current accounts payable in the amount of \$1,004,634.52.

Roll Call

Yes: Warstler, Lounibos, Tanner, Rickard, Freeman, Blau

No: None

Motion Carried

5. Motion by Councilor Blau and supported by Councilor Freeman to approve the sale of real property located on Captain's Drive and Campus Drive in the amount of \$52,500.00 to Peter Rynes.

Roll Call:

Yes: Blau, Freeman, Rickard, Tanner, Lounibos, Warstler

No: None

Motion Carried

6. Motion by Councilor Warstler and supported by Councilor Tanner to introduce Ordinance 313 to amend the Chapter 51 Sewer, Chapter 52 Waste Collection, and Chapter 54 Water and Sewer Regulations of the Code of Ordinances.

Roll Call

Yes: Warstler, Lounibos, Tanner, Rickard, Freeman, Blau

No: None

Motion Carried

7. Motion by councilor Warstler and supported by Councilor Lounibos to introduce Ordinance 314 to amend Chapter 53 Cross Connection of the Code of Ordinances.

Roll Call:

Yes: Blau, Freeman, Rickard, Tanner, Lounibos, Warstler

No: None

Motion Carried

8. Motion by Councilor Warstler and supported by Councilor Lounibos to approve OHM Architect and Engineers proposal for additional work on the Business and Technology Park for the MEDC Strategic Site Readiness grant in the amount of \$226,000.

Roll Call

Yes: Warstler, Lounibos, Tanner, Rickard, Freeman, Blau

No: None

Motion Carried

9. Motion by Councilor Blau and supported by Councilor Freeman to approve the Contract listing of Sylvan Estate lots with Kristine Weidner at Century 21.

Yes: All

No: None

Motion Carried

10. Motion by Councilor Blau and supported by Councilor Warstler to approve Resolution #24-06 to authorize the submission of the Michigan Natural Resources Trust Fund Grant application for the HOCO Ice Arena Elevator Improvements.

Yes: All

No: None

Motion Carried

11. Motion by Councilor Warstler and supported by Councilor Lounibos to approve Resolution # 24-07 to authorize the submission of the of the Land and Water Conservation Fund Grant application for the Porvoo Park Boardwalk and Transient Boat Docks with a match of \$145,125 for total project cost of \$290,250.

Yes: All  
No: None  
Motion Carried

12. Motion by Councilor Warstler and supported by Councilor Freeman to approve Recreation Millage expense of \$6,335.00 for Hancock Beach Bathroom Epoxy Floor System per quote provided by Superior Polymer.

Roll Call:  
Yes: Blau, Freeman, Rickard, Tanner, Lounibos, Warstler  
No: None  
Motion Carried

13. Motion by Councilor Blau and supported by Councilor Freeman to approve Red Power Diesel invoice of \$29,973.70 for additional repairs to the 2000 Pierce Arial Firetruck.

Roll Call  
Yes: Warstler, Lounibos, Tanner, Rickard, Freeman, Blau  
No: None  
Motion Carried


14. Motion by Councilor Warstler and supported by Councilor Tanner to approve Resolution 24-08 Installment Purchase Agreement to acquire a 930M Wheel Loader Cat/KTG04439 in the amount of \$77,280 for a 5-year term at a rate of 5.87% per year.

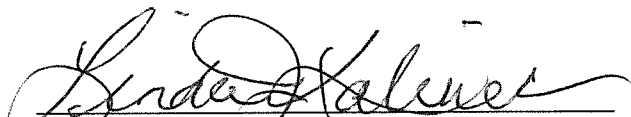
Roll Call:  
Yes: Blau, Freeman, Rickard, Tanner, Lounibos, Warstler  
No: None  
Motion Carried

**Public Comment** – None.

Motion by Councilor Warstler and supported by Councilor Freeman to adjourn the meeting at 7:06 pm.

Yes: All  
No: None  
Motion Carried

  
Kurt Rickard, Mayor

  
Linda Kalinec, Clerk

Resolution 24-06

City of Hancock  
County of Houghton, MI

A RESOLUTION FOR SUBMISSION OF A 2024 Michigan Natural Resources Trust Fund Grant application for the HOCO Ice Arena Elevator Improvements

At a regular meeting of the City Council of the City of Hancock, Michigan, held at Hancock City Hall on March 20, 2024, the following resolution was offered by Councilmember Blau, and supported by Councilmember Warstler.

WHEREAS, the City of Hancock the City Council support the submission of the application HOCO Elevator Improvements to the Michigan Natural Resources Trust Fund at the HOCO Arena; and,

WHEREAS, the proposed application is supported by the Community's 5-Year Approved Parks and Recreation Plan; and,

WHEREAS, the City of Hancock is hereby making a financial commitment to the project in the amount of \$338,300 matching funds, in cash and/or force account; and,

NOW THEREFORE, BE IT RESOLVED that the City of Hancock Council hereby authorizes submission of a Michigan Natural Resources Trust Fund grant application for \$400,000, and further resolves to make available its financial obligation amount of \$338,300 (46%) of a total \$738,300 project cost, during the 2024-2025 fiscal year.

Resolution duly adopted March 20, 2024.

The foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Hancock, Michigan at a regular meeting held on the 20<sup>st</sup> day of March, 2024.

It was moved by Councilor Blau and supported by Councilor Warstler to adopt the Resolution.

Yes: Blau, Freeman, Rickard, Tanner, Lounibos, Warstler

Absent: McKenzie

No: None

  
Linda Kalinec, Clerk/Treasurer

Resolution 24-07

City of Hancock  
County of Houghton, MI

A RESOLUTION FOR SUBMISSION OF A Land and Water Conservation Fund Grant application for the Porvoo Park Boardwalk Improvements.

At a regular meeting of the City Council of the City of Hancock, Michigan, held at Hancock City Hall on March 20, 2024, the following resolution was offered by Councilmember Warstler, and supported by Councilmember Lounibos.

WHEREAS, the City of Hancock the City Council support the submission of the application Porvoo Park Boardwalk Improvements to the Land and Water Conservation Fund Grant at Porvoo Park; and,

WHEREAS, the proposed application is supported by the Community's 5-Year Approved Parks and Recreation Plan; and,

WHEREAS, the City of Hancock is hereby making a financial commitment to the project in the amount of \$145,125 matching funds, in cash and/or force account; and,

NOW THEREFORE, BE IT RESOLVED that the City of Hancock Council hereby authorizes submission of a Land and Water Conservation Fund Grant application for \$145,125, and further resolves to make available its financial obligation amount of \$145,125 (50%) of a total \$290,250 project cost, during the 2024-2025 fiscal year.

Resolution duly adopted March 20, 2024.

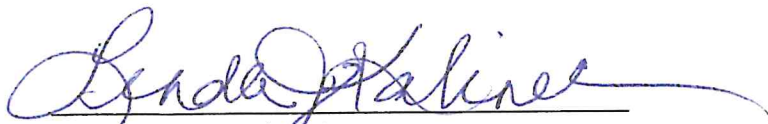
The foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Hancock, Michigan at a regular meeting held on the 20<sup>st</sup> day of March, 2024.

It was moved by Councilor Warstler and supported by Councilor Lounibos to adopt the Resolution.

Yes: Warstler, Lounibos, Tanner, Rickard, Freeman, Blau

Absent: McKenzie

No: None

  
Linda Kalinec, Clerk/Treasurer

24-08

**RESOLUTION AUTHORIZING  
INSTALLMENT PURCHASE AGREEMENT**

City of Hancock  
County of Houghton, State of Michigan

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Minutes of a regular meeting of the City Council of the City of Hancock, County of Houghton, State of Michigan, held on the 20th day of March, 2024, at 6:00 p.m., Eastern Daylight Time.

PRESENT: Members Blau, Freeman, Rickard, Tanner, Lounibos, Warstler

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ABSENT: Members McKenzie

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The following preamble and resolution were offered by Member Warstler and supported by Member Tanner:

WHEREAS, the City Council of the City of Hancock, County of Houghton, State of Michigan (the "City") determines it to be necessary for the public health, safety and welfare of the City and its residents to acquire a 930M Wheel Loader Cat/KTG04439, as described in more detail on Exhibit A attached hereto (the "Equipment"); and

WHEREAS, under the provisions of Act 99, Public Acts of Michigan, 1933, as amended ("Act 99"), the City is authorized to enter into any contracts or agreements for the purchase of the Equipment to be paid for in installments over a period of not to exceed the useful life of the Equipment acquired as determined by resolution of the City; and

WHEREAS, the City shall purchase the Equipment for the sum of \$77,280.00 (the "Purchase Price") which shall be financed through the execution of an Installment Purchase Agreement (the "Agreement") between the City and Superior National Bank, Hancock, Michigan (the "Bank"), with Caterpillar Financial Services Corporation, Nashville, Tennessee (the "Vendor"), assigning its right to be paid to the Purchaser; and

WHEREAS, the outstanding balance of all purchases by the City under Act 99, exclusive of interest, shall not exceed one and one quarter percent (1-1/4%) of the taxable value of the real and personal property in the City at the date of such contract or agreement; and

WHEREAS, the purchase of the Equipment pursuant to the Agreement will not result in the outstanding balance of all such purchases in excess of the limitation contained within Act 99 as set forth above; and

WHEREAS, the Agreement is to be assigned to the Bank; and

WHEREAS, it is necessary to approve the Agreement and authorize the Mayor, City



Manager and City Clerk/Treasurer to execute the Agreement and authorize City officials to execute certain other documentation relative thereto.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Approval of Agreement; Agreement Terms. The Agreement is hereby approved substantially in the form attached hereto at Exhibit B. The City shall incur the debt described in the Agreement through execution of the Agreement by the officers authorized below which debt shall consist of the Purchase Price of \$77,280.00, which shall be payable in five (5) annual installment payments of principal due on April 1 of each year commencing April 1, 2025, with interest thereon first payable on April 1, 2025 and annually each April 1 thereafter at a rate of 5.87% per annum; provided that the Mayor, City Manager and City Clerk/Treasurer are each hereby authorized to adjust the payment dates and final details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are each authorized to make determinations regarding the principal and interest payment dates.

2. Execution and Delivery of Agreement. The Mayor, City Manager and City Clerk/Treasurer are each hereby authorized and directed to execute the Agreement and deliver it to the Vendor, substantially in the form attached hereto with such additions, changes and modifications as shall be approved by the City's bond counsel.

3. Useful Life of Equipment. The useful life of the Equipment is hereby determined to be not less than five (5) years.

4. Authorization of Officers. The Mayor, City Manager and City Clerk/Treasurer are each authorized to execute such additional documentation and open such accounts as shall be necessary to effectuate the closing of the Agreement and the assignment thereof to the Purchaser within the parameters set forth in this resolution.

5. Assignment of Agreement. The assignment by the Vendor to the Bank of the Agreement or of the Vendor's right to be paid for the Equipment is hereby approved.

6. Security; Limited Tax Pledge. The City hereby agrees to include in its budget for each year, commencing with the current fiscal year, a sum which will be sufficient to pay the principal of and the interest on the Agreement coming due before the next fiscal year. In addition, the City hereby pledges to levy ad valorem taxes on all taxable property in the City each year in an amount necessary to make its debt service payments under the Agreement, subject to applicable constitutional, statutory and charter tax rate limitations.

7. Tax Covenant. The City covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the payments due under the Agreement from adjusted gross income for general federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable.

8. Qualified Tax-Exempt Obligation. The City hereby designates the Agreement as a "qualified tax-exempt obligation" for purposes of deduction of interest expense by financial

institutions pursuant to the Code.

9. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded to the extent of such conflict.

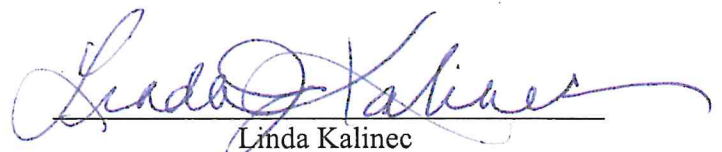
AYES: Members Blau, Freeman, Rickard, Tanner, Lounibos, Warstler

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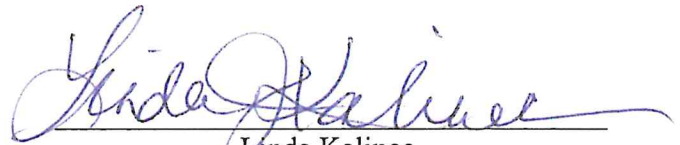
NAYS: Members None

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RESOLUTION DECLARED ADOPTED.

  
Linda Kalinec  
City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Hancock, County of Houghton, State of Michigan, at a regular meeting held on March 20, 2024 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

  
Linda Kalinec  
City Clerk

# EXHIBIT A

## Description of Equipment



# Invoice

Caterpillar Financial  
 Services Corporation  
 2120 West End Avenue  
 Nashville, TN 37203

Customer Information

CITY OF HANCOCK  
 399 QUINCY STREET  
 HANCOCK, MI 49930-1801

Invoice Date: March 11, 2024

PO #:

MANUAL-Lease Svcs

	Description		Total
<b>Contract #</b> 001-0965849-000	930M Wheel Loader Cat / KTG04439	<b>Due Date</b> 03/06/2024	
<b>Asset #</b> US-1257854	Gross Sales Price		\$77,280.00
<b>Termination Date</b> 03/06/2024	Additional Extended Warranty		\$0.00
	Late Charges		\$0.00
	Sales Tax		\$0.00
	Personal Property Tax (PPT)		\$0.00
	Remaining Rent		\$0.00
	Other		\$0.00

CITY OF HANCOCK (Buyer) hereby agrees and acknowledges that he/she/it/they accepts the equipment on an 'AS IS, WHERE IS' basis and without any expressed or implied warranties and/or conditions of any nature whatsoever, statutory or otherwise, including but not limited to warranties of merchantability or fitness of the equipment for any particular purpose. Buyer hereby agrees and acknowledges that he/she/it/they has accepted the terms contained herein and specifically those contained in this warranty disclaimer and that the payment of this invoice is evidence of his/hers/its/their acceptance of the terms herein. Please note any payment by you under this invoice does not alter or modify in any way your obligations under the above-referenced Contract, which remains in full force and effect. You must satisfy all obligations under the above-referenced Contract in accordance with the terms and conditions therein.

**TOTAL: \$77,280.00**

### MAKE A PAYMENT & MANAGE YOUR ACCOUNT

**ONLINE**  
MyCatfinancial.com or the MyCatFinancial app

- Make a payment
- View statements and pay history
- Obtain a buyout quote
- View amortization schedule
- View interest letters
- View e-signed documents
- View wire instructions

**Check - First Class Mail**  
Caterpillar Financial Services  
P.O. Box 160647  
Pasadena, CA 91139-0647

**Check - Overnight Mail**  
JP Morgan Chase  
BOX 100647  
7710 Melita Center Drive Bldg 6 Suite 6120  
Los Angeles, CA 90045-1746  
Attn: Caterpillar Financial Services Corporation-Lease Service Dept  
Reference: Contract Number

### CONTACT US

**CUSTOMER SERVICE**  
1-300-651-0567

**Customer Service:**  
[NABC.CustomerService@cat.com](mailto:NABC.CustomerService@cat.com)

Make a payment online at [mycatfinancial.com](http://mycatfinancial.com)



### MAINTAIN YOUR MACHINE WITH THE CAT® CARD



Use the Cat Card to buy now and pay later for parts, service, attachments and more. Plus, eligible accountholders earn Cat Vantage Points\* on qualifying purchases and unlock exclusive special offers. Learn more and apply today at [catcard.com](http://catcard.com).

\*Terms and conditions apply.

Questions? Contact us at 1-877-373-9510 or [CatCard.CustomerService@cat.com](mailto:CatCard.CustomerService@cat.com).



## EXHIBIT B

### Form of Installment Purchase Agreement

#### INSTALLMENT PURCHASE AGREEMENT

THIS AGREEMENT (the "Agreement"), dated as of \_\_\_\_\_, 2024, by and between the **City of Hancock**, County of Houghton, Michigan (the "City"), **Caterpillar Financial Services Corporation**, Nashville, Tennessee (the "Vendor"), and **Superior National Bank**, Hancock, Michigan, as assignee of the Vendor (the "Assignee"), is as follows:

1. Purchase Price, Title and Useful Life. The City agrees to purchase and the Vendor agrees to sell, provide and deliver its 930M Wheel Loader Cat/KTG04439 (the "Equipment"), all as set forth in the specifications from the Vendor for the Equipment (the "Specifications"), for the sum of \$77,280.00 (the "Purchase Price") payable in five (5) annual principal installments on April 1 of each year commencing April 1, 2025, in the amounts set forth on the attached Exhibit B. The Purchase Price may be prepaid at any time, in whole or in part, upon payment of the prepaid principal amount plus accrued interest.

The City shall pay interest on the unpaid balance of the Purchase Price to the Assignee, as the assignee of this Agreement in accordance with section 3 hereof, at a rate of interest equal to 5.87% per annum from the date funds are delivered by the Assignee as set forth in section 3 hereof, computed on the basis of a 30 day month and a 360-day year which interest shall be payable annually commencing on April 1, 2025, and on each April 1 thereafter, as set forth on Exhibit B. The Purchase Price includes the Equipment and other rights assigned and conveyed by the Vendor to the City. Upon delivery and acceptance by the City, title to the Equipment shall vest in the City. The City represents to the Assignee that the useful life of the Equipment is at least equal to or longer than the date of the final payment hereunder.

2. Incorporation by Reference. The Vendor and the City agree to all of the instructions, terms and conditions as may be outlined in the Specifications and any supplements thereto, which are hereby incorporated by reference in full herein. In the event of a conflict in terms between this Agreement and the Specifications, the specific terms of this Agreement shall govern.

3. Assignment to the Assignee. The Vendor hereby irrevocably assigns this Agreement immediately to the Assignee in consideration for and effective upon payment from the Assignee in the amount of the Purchase Price. The City hereby consents to this assignment, except with respect to the warranties and other obligations of the Vendor set forth in section 2 and sections 4 through 7, inclusive, of this Agreement, all of which shall remain the sole responsibility of the Vendor and shall not be assignable. With respect to the Assignee, the City hereby waives any defenses based upon warranty, failure or inability of the Vendor to perform its non-assignable obligations or the failure of the Equipment to perform its intended function. The City's obligation to the Assignee is absolute and unconditional and shall remain in full force and effect until the amount of the payment of the Purchase Price together with interest thereon shall have been paid by the City to the Assignee, and such obligation shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following:

(a) Any failure of title with respect to the Vendor's interest in the Equipment specified herein or the invalidity, enforceability or termination of this Agreement;

(b) The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Agreement;

(c) The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceedings affecting the Vendor or any of its assets or any allocation or contest of the validity of this Agreement, or the disaffirmance of this Agreement in any such proceeding;

(d) To the extent permitted by law, any event or action which would, in the absence of this clause, result in release or discharge by operation of law of the Vendor from the performance or observation of any obligation, covenant or agreement contained in this Agreement; or

(e) The default or failure of the Vendor fully to perform any of its obligations set forth in this Agreement.

The City shall make payments to the Assignee when due and shall not withhold any such payments as a result of any disputes arising between the City and the Vendor or any other person, nor shall the City assert any right of set-off or counterclaim against its obligation to make such payments or be entitled to any abatement of such payments as a result of accident or unforeseen circumstances, or the Equipment being defective.

It is expressly agreed between the Vendor, the City and the Assignee, by acceptance of the assignment of this Agreement, that the City shall make all payments of principal and interest directly to the Assignee.

4. Date of Acceptance. The date of acceptance for the Vendor shall be the date when the Equipment has been delivered to the City in accordance with the Specifications and the City has accepted the delivery of the Equipment either in writing or as provided in the Specifications.

5. Warranty. The Vendor warrants its Equipment as set forth in the Specifications and pursuant to the manufacturer's warranties and warrants its installation of the Equipment, if any. Any warranties with respect to the Equipment shall not be assigned, but shall remain enforceable by the City.

The Vendor represents and warrants that the assignment to the Assignee of this Agreement does not violate any agreement, contract or loan agreement to which it is a party, and that the Agreement has been duly executed and delivered by the Vendor.

The Assignee makes no warranty or representation, express or implied, as to any matter whatsoever, including, without limitation, as to the merchantability or fitness for any particular purpose of any of the Equipment or as to the value, design, condition, use, capacity or durability of any of the Equipment. The City agrees that (a) the Assignee has no liability for the delivery or installation of the Equipment, (b) the Assignee assumes no obligation with respect to any manufacturer's or Vendor's product warranties or guaranties, (c) neither Vendor nor any manufacturer or any representative of said parties is an agent of the Assignee, and (d) any warranty, representation, guaranty or agreement made by any manufacturer or by any Vendor or any representative of said parties shall not be binding upon the Assignee.

6. Entire Agreement. This Agreement and the documents expressly incorporated by reference herein constitute the entire agreement of the parties. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are hereby terminated.

7. Amendments. Any attempt to modify the terms of this Agreement or of any supporting document shall be ineffectual unless in writing, signed by all parties and the City agrees to secure the consent of the Assignee to any such modifications, provided that the consent of the Vendor to the modification of any of the terms of payment by the City to the Assignee shall not be required.

8. Security; Qualified Tax Exempt Obligation. The obligation of the City to pay principal and interest under this Agreement is a limited tax general obligation of the City. The City shall include in its budget and pay each year, until this Agreement is paid in full, as a first budget obligation, such sum as may be necessary each year to make all payments hereunder, when due. In addition, the City hereby pledges to levy in each fiscal year ad valorem taxes on all taxable property in the City each year in an amount necessary to make its debt service payments under this Agreement, subject to applicable constitutional, statutory and charter tax rate limitations. The City covenants that it shall comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to delivery of this Agreement in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. The City has designated the obligations under this Agreement as "qualified tax-exempt obligations" for purpose of deduction of interest expense by financial institutions.

9. Legislative Authorization; Governing Law. This Agreement is made in accordance with and pursuant to Act 99, Public Acts of Michigan, 1933, as amended. This Agreement shall be construed in all respects in accordance with the laws of the State of Michigan.

10. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.


11. Binding Effect. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and permitted assigns of the parties hereto.


12. Counterparts. This Agreement may be signed in any number of counterparts, which counterparts shall be considered as one and the same instrument. Facsimile copies of this Agreement shall have the full force and effect of an original document.

**CATERPILLAR FINANCIAL SERVICES CORPORATION**  
as Vendor

By: \_\_\_\_\_  
Its: Authorized Representative

**CITY OF HANCOCK**

By:   
Its: Mayor

By:   
Its: City Clerk

**SUPERIOR NATIONAL BANK**  
as Assignee

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

**EXHIBIT A**  
**SPECIFICATIONS**



# Invoice

Caterpillar Financial  
Services Corporation  
2120 West End Avenue  
Nashville, TN 37203

**Customer Information**

CITY OF HANCOCK  
399 QUINCY STREET  
HANCOCK, MI 49930-1801

Invoice Date: March 11, 2024

PO #:

**MANUAL-Lease Svcs**

	Description	Due Date	Total
<b>Contract #</b> 001-0965849-000	930M Wheel Loader Cat / KTG04439	<b>Due Date</b> 03/06/2024	
<b>Asset #</b> US-1257854	Gross Sales Price		\$77,280.00
<b>Termination Date</b> 03/06/2024	Additional Extended Warranty		\$0.00
	Late Charges		\$0.00
	Sales Tax		\$0.00
	Personal Property Tax (PPT)		\$0.00
	Remaining Rent		\$0.00
	Other		\$0.00

CITY OF HANCOCK (Buyer) hereby agrees and acknowledges that he/she/it/they accepts the equipment on an 'AS IS, WHERE IS' basis and without any expressed or implied warranties and/or conditions of any nature whatsoever, statutory or otherwise, including but not limited to warranties of merchantability or fitness of the equipment for any particular purpose. Buyer hereby agrees and acknowledges that he/she/it/they has accepted the terms contained herein and specifically those contained in this warranty disclaimer and that the payment of this invoice is evidence of his/hers/its/their acceptance of the terms herein. Please note any payment by you under this invoice does not alter or modify in any way your obligations under the above-referenced Contract, which remains in full force and effect. You must satisfy all obligations under the above-referenced Contract in accordance with the terms and conditions therein.

**TOTAL: \$77,280.00**

**MAKE A PAYMENT & MANAGE YOUR ACCOUNT**

**ONLINE**  
MyCatfinancial.com or  
the MyCatFinancial app

- Make a payment
- View statements and pay history
- Obtain a buyout quote
- View amortization schedule
- View interest letters
- View e-signed documents
- View wire instructions

**Check - First Class Mail**  
Caterpillar Financial Services  
P.O. Box 100647  
Pasadena, CA 91189-0647


**Check - Overnight Mail**  
2710 Media Center Drive Bldg 6 Suite #120  
Los Angeles, CA 90065-1746  
Attn: Caterpillar Financial Services  
Corporation-Lease Service Dept  
Reference: Contract Number

**CONTACT US**

**CUSTOMER SERVICE**  
1-800-651-0567

**Customer Service:**  
[NABC.CustomerService@cat.com](mailto:NABC.CustomerService@cat.com)

Make a payment online at [mycatfinancial.com](http://mycatfinancial.com)



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\*Terms and conditions apply.

Questions? Contact us at 1-877-373-9510 or [CatCard.CustomerService@cat.com](mailto:CatCard.CustomerService@cat.com).





**EXHIBIT B**  
**PRINCIPAL AND INTEREST PAYMENT SCHEDULE**

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