



This Purchase Agreement (together with all attachments referenced herein, the "Agreement"), made and entered into by and between Foster Coach Sales Inc., an Illinois corporation ("Foster"), and The Village Of Homewood, ("Customer") is effective as of the date specified in Section 3 hereof.

1. Definitions.

- a. **"Product"** means the ambulance and any associated equipment manufactured or furnished for the Customer by Foster pursuant to the Specifications.
- b. **"Specifications"** means the general specifications, technical specifications, training, and testing requirements for the Product contained in the Foster Proposal for the Product prepared in response to the Customer's request for proposal.
- c. **"Foster Proposal"** means the proposal provided by Foster prepared in response to the Customer's request for proposal.
- d. **"Delivery"** means the date Foster is prepared to make physical possession of the Product available to the Customer.
- e. **"Acceptance"** The Customer shall have fifteen (15) calendar days of Delivery to inspect the Product for substantial conformance with the material Specifications; unless Foster receives a Notice of Defect within fifteen (15) calendar days of Delivery, the Product will be deemed to be in conformance with the Specifications and accepted by the Customer.

2. Purpose. This Agreement sets forth the terms and conditions of Foster's sale of the Product to the Customer.

3. Term of Agreement. This Agreement will become effective on the date it is signed and approved by Foster's authorized representative pursuant to Section 20 hereof ("Effective Date") and, unless earlier terminated pursuant to the terms of this Agreement, it will terminate upon the Customer's Acceptance and payment in full of the Purchase Price.

4. Purchase and Payment. The Customer agrees to purchase the Product specified below for the total purchase price of \$301,873 ("Purchase Price").

Quantity	Chassis Type	Body Type	Price per Unit
1	Ford F550 4x4	Horton	\$301,873
			\$
			\$
			\$
			\$

Warranty Period: Factory Warranties

Payment Terms: Payment due at time of delivery

5. Future Changes. Various state or federal regulatory agencies (e.g. NFPA, DOT, EPA, KKK Standard) may require changes to the Specifications and/or the Product and in any such event any resulting cost increases incurred to comply therewith will be added to the Purchase Price to be paid by the Customer. To the extent practicable, Foster will document and itemize any such price increases for the Customer.

6. Agreement Changes. The Customer may request that Foster incorporate a change to the Products or the Specifications for the Products by delivering a change order to Foster; provided, however, that any such change order must be in writing and include a description of the proposed change sufficient to permit Foster to evaluate the feasibility of such change ("Change Order"). Within [seven (7) business days] of receipt of a Change Order, Foster will inform the Customer in writing of the feasibility of the Change Order, the earliest possible implementation date for the Change Order, of any increase or decrease in the Purchase Price resulting from such Change Order, and of any effect on production scheduling or Delivery resulting from such Change Order. Foster shall not be liable to the Customer for any delay in performance or Delivery arising from any such Change Order. A Change Order is only effective when counter-signed by Foster's authorized representative.

7. Cancellation/Termination. In the event this Agreement is cancelled or terminated by a party before completion, Foster may charge a cancellation fee. The following charge schedule based on costs incurred may be applied: (a) 10% of the Purchase Price

after order is accepted and entered by Foster; (b) 20% of the Purchase Price after completion of approval drawings, and; (c) 30% of the Purchase Price upon any material requisition. The cancellation fee will increase accordingly as costs are incurred as the order progresses through engineering and into manufacturing. Foster endeavors to mitigate any such costs through the sale of such Product to another purchaser; however Customer shall remain liable for the difference between the Purchase Price and, if applicable, the sale price obtained by Foster upon sale of the Product to another purchaser, plus any costs incurred by Foster to conduct any such sale.

8. Delivery, Inspection and Acceptance. (a) Delivery. Delivery of the Product is scheduled to be within 14-18 months of the Effective Date of this Agreement, F.O.B. Sterling, Illinois. Risk of loss shall pass to Customer upon Delivery. (b) Inspection and Acceptance. Upon Delivery, Customer shall have fifteen (15) days within which to inspect the Product for substantial conformance to the material Specifications, and in the event of substantial non-conformance to the material Specifications to furnish Foster with written notice sufficient to permit Foster to evaluate such non-conformance ("Notice of Defect"). Any Product not in substantial conformance to material Specifications shall be remedied by Foster within thirty (30) days from the Notice of Defect. In the event Foster does not receive a Notice of Defect within fifteen (15) days of Delivery, Product will be deemed to be in conformance with Specifications and Accepted by Customer.

Other Matters: \_\_\_\_\_

9. Notice. Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other:

Foster Coach Sales, Inc.  
PO Box 700  
903 Prosperity Drive  
Sterling, Ill. 61081

Customer

Village Of Homewood

2020 Chestnut

Homewood, IL 60430

10. Standard Warranty. Any applicable manufacturer's warranties are attached hereto as part of the Foster Proposal and are made a part hereof. Any additional warranties must be expressly approved in writing by Foster's authorized representative.

11. Force Majeure. Foster shall not be responsible nor deemed to be in default on account of delays in performance due to causes which are beyond Foster's control which make Foster's performance impracticable, including but not limited to civil wars, insurrections, strikes, riots, fires, storms, floods, other acts of nature, explosions, earthquakes, accidents, any act of government, delays in transportation, inability to obtain necessary labor supplies or manufacturing facilities, allocation regulations or orders affecting materials, equipment, facilities or completed products, failure to obtain any required license or certificates, acts of God or the public enemy or terrorism, failure of transportation, epidemics, quarantine restrictions, failure of vendors (due to causes similar to those within the scope of this clause) to perform their contracts or labor troubles causing cessation, slowdown, or interruption of work.

12. Default. The occurrence of one or more of the following shall constitute a default under this Agreement: (a) the Customer fails to pay when due any amounts under this Agreement or to perform any of its obligations under this Agreement; (b) Foster fails to perform any of its obligations under this Agreement; (c) either party becomes insolvent or become subject to a bankruptcy or insolvency proceedings; (d) any representation made by either party to induce the other to enter into this Agreement is false in any material respect; (e) the Customer dissolves, merges, consolidates or transfers a substantial portion of its property to another entity; or (f) the Customer is in default or has breached any other contract or agreement with Foster.

13. Manufacturer's Statement of Origin. It is agreed that the manufacturer's statement of origin ("MSO") for the Product covered by this Agreement shall remain in the possession of manufacturer until the entire Purchase Price has been paid. If more than one Product is covered by this Agreement, then the MSO for each individual Product shall remain in the possession of manufacturer until the Purchase Price for that Product has been paid in full. In case of any default in payment, Foster may take full possession of the Product, and any payments that have been made shall be applied as payment for the use of the Product up to the date of taking possession.

14. Independent Contractors. The relationship of the parties established under this Agreement is that of independent contractors and neither party is a partner, employee, agent, or joint venturer of or with the other.

15. Assignment. Neither party may assign its rights and obligations under this Agreement unless it has obtained the prior written approval of the other party.

16. Governing Law; Jurisdiction. Without regard to any conflict of laws provisions, this Agreement is to be governed by and under the laws of the state of Illinois.

17. Facsimile Signatures. The delivery of signatures to this Agreement by facsimile transmission shall be binding as original signatures.

18. Entire Agreement. This Agreement shall be the exclusive agreement between the parties for the Product. Additional or different terms proposed by the Customer shall not be applicable, unless accepted in writing by Foster's authorized representative. No change in, modification of, or revision of this Agreement shall be valid unless in writing and signed by Foster's authorized representative.

19. Conflict. In the event of a conflict between the Customer Specifications and the Foster Proposal, the Foster Proposal shall control. In the event there is a conflict between the Foster Proposal and this Agreement, the Foster Proposal shall control.

20. Signatures. This Agreement is not effective unless and until it is approved, signed and dated by Foster Coach Sales, Inc.'s authorized representative.

Accepted and agreed to:

**FOSTER COACH SALES, INC.**

**CUSTOMER:** Village Of Homewood

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_