

RESOLUTION NO. 1840

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD  
AUTHORIZING THE EXECUTION OF A LEASE PURCHASE  
AGREEMENT WITH FMC CORPORATION, FIRE  
APPARATUS DIVISION FOR THE  
PURCHASE OF FIRE  
APPARATUS

BE IT RESOLVED by the City Council of the City of Soledad that the Mayor and City Clerk be, and they are hereby, authorized and directed for and in behalf of said City to enter into and execute a "Lease Purchase Agreement" with FMC Corporation, Fire Apparatus Division in the form of the document hereunto attached, marked, "Exhibit A", and by reference made a part hereof.

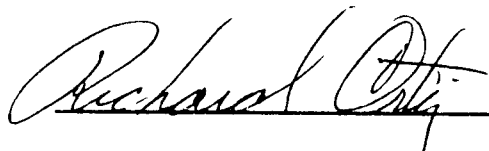
PASSED AND ADOPTED by the City Council of the City of Soledad at a regular meeting duly held on the 8th day of March, 1988 by the following vote:

AYES, and in favor thereof, Councilmembers: Campos, Ledesma, Untalon, Mayor Pro Tem Slagle, and Mayor Ortiz

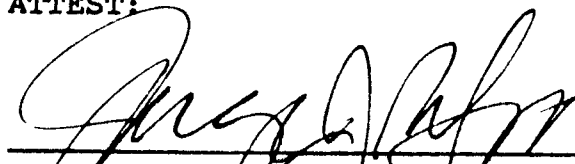
NOES, Councilmembers: None

ABSENT, Councilmembers: None

ABSTAINING, Councilmembers: None

  
\_\_\_\_\_  
MAYOR OF THE CITY OF SOLEDAD

ATTEST:

  
\_\_\_\_\_  
CITY CLERK OF THE CITY OF SOLEDAD

LEASE PURCHASE AGREEMENT

THIS LEASE, made and entered into this 8th day of March, 1988, by and between FMC CORPORATION, Fire Apparatus Division, a Delaware Corporation with its plant office in Orlando, Florida, and its principal office in Chicago, Illinois (hereinafter referred to as "FMC"), and the CITY OF SOLEDAD, a political subdivision organized and existing under and by virtue of the laws of said State (hereinafter referred to as "LESSEE").

W I T N E S S E T H

WHEREAS, LESSEE has available funds which it may lawfully expend for the purposes hereinafter set forth; and

WHEREAS, in executing this agreement, LESSEE warrants that it is acting by authority of and in accordance with all applicable provisions of law;

NOW, THEREFORE, in consideration of the promises herein made each to the other, the parties hereto agree as follows:

FMC hereby leases to LESSEE and LESSEE hires from FMC, the following described equipment upon the terms and conditions hereinafter stated, to-wit:

1. Description of Equipment. Sentinel Pumper on Ford Chassis (1988), and as more fully described in the FMC proposal to LESSEE dated November 30, 1987, and as amended

"A"

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December 22, 1987.

2. Delivery. FMC shall deliver said equipment to LESSEE on or about 120 days after delivery of chassis but in no event later than July 9, 1988

3. Use of Equipment. Said equipment shall be used by LESSEE for the purpose of fire prevention and as fire-fighting equipment, and for such other purposes as shall be customary or necessary in the conduct of and maintenance of a fire department.

4. Term. The original term of this lease shall commence on July 9, 1988, and shall terminate on July 8, 1989; provided, that the lease term will be automatically renewed at the end of said original term or any subsequent renewal term for the additional period of one (1) year, unless the LESSEE gives written notice to FMC of its election not to renew at least sixty (60) days prior to the end of said original term or the renewal term then in effect.

5. Rental. LESSEE shall pay to FMC as rental for said equipment annual rental payments with principal and interest components in accordance with the Rental Payment Schedule hereunto attached marked "Exhibit A," and incorporated herein by reference, which provides for an initial payment of \$11,327.58, followed by seven (7) annual payments as set forth therein, including interest on deferred principal at the rate of eight percent (8%) per annum. Each rental payment shall be in consideration for the use of said

equipment by LESSEE during the twelve-months' period commencing on July 9th of the year in which such rental is payable. FMC and LESSEE understand and intend that the obligation of LESSEE to pay the rental payments hereunder shall constitute a current expense of the LESSEE and shall not in any way be construed to be a debt of LESSEE in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by LESSEE, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of LESSEE.

6. Prepayments of Rental. LESSEE shall have the right, but not the obligation, to make prepayments of rental on any annual rental payment date, in addition to the rental payment then due. Each prepayment shall be applied in reduction of the principal component of the Rental Payment Schedule (as shown under the heading "Principal Balance") and said Schedule thereupon shall be revised by recomputing the remaining annual payments to reflect the reduction in principal and interest resulting from the prepayment. The interest rate used for such recomputation shall remain at eight percent (8%) per annum. The revised Rental Payment Schedule shall be approved by a written memorandum executed by the parties hereto, to be attached to this agreement; said revised Schedule shall supersede the Rental Payment Schedule theretofore in effect.

7. Maintenance of Equipment. LESSEE, at its own

expense, shall (a) keep said equipment in good repair through the term of this lease, (b) furnish all necessary repair parts and install them, and (c) furnish the labor required to operate, adjust and attend said equipment subject to warranty coverage provided by FMC

8. Taxes. LESSEE shall pay all taxes or assessments of every kind and character which may be levied upon or assessed against said equipment, and also any Federal, State, County or Municipal sales, use, compensating, intangibles, gross income, or like tax, however designated, which is levied or based upon the rental collected by FMC hereunder, or upon the lease transaction or upon the use of said equipment, but not including taxes payable upon net income of FMC. LESSEE hereby agrees to exonerate, indemnify and save FMC harmless from and against any and all cost or expense which may accrue to or be sustained by FMC on account of LESSEE's failure to make such payment.

9. Insurance. Said equipment shall be insured by LESSEE, at its own expense, against loss or damage by fire, theft and other physical damage, including collision, in an amount not less than the full insurable value thereof, with loss, if any, payable to FMC; provided, however, that \$500.00 deductible insurance against collision will be acceptable to FMC.

LESSEE shall provide insurance against liability for bodily injury to the limits of \$100,000.00 for each person

injured, and \$300,000.00 for each accident, and shall provide insurance for liability against property damage to the limit of \$25,000.00. Lessee shall name FMC as an additional insured under said insurance policy or policies LESSEE shall furnish FMC with satisfactory evidence of the insurance coverage above specified.

10. Contingencies. FMC shall not be liable to LESSEE for any loss or damage suffered by LESSEE, directly or indirectly, as a result of FMC's failure to perform or delay in performing, any term or condition of this lease, where such failure or delay is caused by fires, labor troubles (including strikes and lockouts), riots, insurrections, failure of sources of supply, government regulations, inability to obtain materials and supplies, interruption of or delay in transportation, war, accidents, acts of God, or other causes of like or different character beyond FMC's control.

11. Title to Equipment. Title to said equipment, and to all parts and appliances affixed and appurtenant thereto supplied by FMC, shall remain in FMC during the term of this lease. LESSEE shall not transfer, assign or hypothecate this lease, nor sublet or transfer possession of said equipment, nor create or permit the creation of any lien, charge or encumbrance of any kind or character against said equipment, without the prior written consent of FMC. Registration of said equipment with the California Department of Motor Vehicles shall identify the LESSEE and the "Soledad

Mission Rural Fire District" as the registered owners.

12. Damage. FMC shall not be liable to LESSEE for loss, damage or injury to persons (including death) or property occasioned by or growing out of the maintenance, operation, use or non-use of said equipment, nor for damages of any kind or nature directly or indirectly sustained, or alleged to have been sustained, by LESSEE as a result of such maintenance, operation, use or non-use; and LESSEE shall exonerate, indemnify and save harmless FMC from and against any and all liability, damage, loss, cost or expense of whatsoever character which may accrue to or be sustained by FMC on account of any such loss, damage or injury, or on account of attachments, license or claims levied upon or assessed against said equipment in any suit brought or claim made against LESSEE or anyone claiming through LESSEE.

13. Termination.

(a) Default of LESSEE. In the event that LESSEE fails to make rental payments when due hereunder or otherwise defaults in the performance of any of the terms and conditions of this lease, upon not less than thirty (30) days' advance written notice to LESSEE, the termination hereof shall become effective ipso facto upon the expiration of such thirty-day period without LESSEE's default having been cured to FMC's entire satisfaction.

(b) Refusal or Failure to Exercise Options. In the event that LESSEE fails or declines to exercise an option (as

hereinafter provided in Paragraph 14) either to renew the lease or to purchase said equipment, this agreement shall terminate as of the expiration date of the lease term for which rental has been paid, without liability to LESSEE on account of such termination except to make prompt payment to FMC of any rentals due and unpaid, and to return said equipment to FMC in accordance with the provisions of the following subparagraph (c).

(c) Return of Equipment. Upon the expiration or sooner termination of this lease, LESSEE shall immediately discontinue to use said equipment and, at its own expense, return the same to FMC at the point of delivery, in the same condition as it was in at the time of delivery, ordinary wear and tear excepted. If LESSEE fails to so return said equipment, FMC may repossess the same, at LESSEE's expense, without prior notice and without liability to LESSEE in damages for so doing.

14. Option to Purchase. LESSEE shall have the option to purchase the equipment herein leased by giving written notice of its intention to do so to FMC at any time prior to the expiration of any one-year lease term and by paying the purchase price of said equipment as of the date of the purchase.

This option to purchase may be exercised by LESSEE only as of any of the dates for renewal of the lease as hereinabove set forth.

The purchase price of the equipment as of the time that LESSEE may exercise this option to purchase shall be as follows: The then Principal Balance, as shown on the Rental Payment Schedule, plus accrued interest on said Principal Balance to the date of purchase, plus One Dollar (\$1.00).

The exercise of this option to purchase shall be at the sole and absolute discretion of the LESSEE, and no agreement whatsoever exists between the parties hereto that said LESSEE will or shall exercise said option. It is further expressly stipulated and agreed that the LESSEE by reason of the inclusion of said purchase option herein has not in any way or manner whatever incurred any obligations, indebtedness or charge during fiscal year 1988-89 or during any subsequent fiscal year while this lease remains in effect, other than the rental of said equipment for the original term as above limited and provided.

15. Entire Contract. This lease constitutes the entire contract between the parties hereto respecting said equipment, and there are no representatives or warranties, express or implied, not contained herein. This lease shall not be binding on FMC unless and until accepted by an officer or other authorized representative; and no alteration or modification hereof, or waiver of FMC's rights hereunder, shall be binding on FMC unless and until so accepted.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly execution in duplicate, as of the day

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and year first above written.

LESSOR:

FMC CORPORATION, Fire Apparatus Division, Orlando, Florida,

By Baro Olaneman  
(signed by Orlando Official only) *st/50*

LESSEE:

CITY OF SOLEDAD, a California municipal corporation,

By Richard Ortiz  
Mayor

By [Signature]  
City Clerk

RENTAL PAYMENT SCHEDULE

Total Contract: \$ 113,275 84  
 10% Initial Payment: 11,327.58  
 Amount Financed: 101,948.26  
 Years Financed: 7  
 Months per Pay Period: 12  
 Annual Percentage Rate 8%

<u>Pay No.</u>	<u>Principal Balance</u>	<u>Interest</u>	<u>Principal Payment</u>	<u>Total Payment</u>	<u>Ending Balance</u>	<u>Purchase Option</u>
Initial						
Pay	\$113,275.84		\$ 11,327.58	\$ 11,327.58	\$101,948.26	
1	101,948.26	\$ 8,155.86	14,564.04	22,719.90	87,384.22	\$110,104.12
2	87,384.22	6,990.74	14,564.04	21,554.77	72,820.18	94,374.96
3	72,820.18	5,825.61	14,564.04	20,389.65	58,256.15	78,645.80
4	58,256.15	4,660.49	14,564.04	19,224.53	43,692.11	62,916.64
5	43,692.11	3,495.37	14,564.04	18,059.41	29,128.07	47,187.48
6	29,128.07	2,330.25	14,564.04	16,894.28	14,564.04	31,458.32
7	14,564.04	1,165.12	14,564.04	15,729.16	0	15,729.16
TOTAL		\$32,623.44	\$113,275.86	\$145,899.28		

EXHIBIT A