

# VEHICLE LEASE AGREEMENT

1. **Lease.** FRIENDS OF THE NEWPORT SENIOR ACTIVITY CENTER, a 501(c)(3) not for profit organization, hereinafter called Lessor, hereby leases to the CITY OF NEWPORT, an Oregon Municipal Corporation, hereinafter called Lessee, the personal property, hereinafter called "Passenger Van," described as 2013 VIN 1FBNE3BL5DDA10350 passenger van, upon the terms and conditions set forth below.
2. **Use of Passenger Van.** Lessee shall use the Passenger Van primarily for activities associated with the Newport Senior Center. The Lessee may use the Passenger Van for other City related purposes; however, use for Senior Center activities shall have priority over other city uses.
3. **Term and Rent.** The term of this Vehicle Lease Agreement (Agreement) shall be good for 5-years after the date of execution or until such earlier time as either, the Lessee no longer has a need for the Passenger Van or the Lessor requests the Passenger Van back. This agreement will automatically extend after each 5-year period until either party requests to review, extend, or terminate the agreement. The rental charge for the use of the Passenger Van is a one-time rental payment of One Dollar (\$1.00).
4. **Inspection by Lessee.** Lessee and Lessor shall inspect the Passenger Van within 24 hours after receipt thereof. Unless Lessee, within 24 hours, gives written notice to Lessor specifying any defect in the Passenger Van, Lessee agrees that it is satisfied with and accepts the Passenger Van in such condition.
5. **Alterations.** Lessee shall make no alterations, additions or improvements to the Passenger Van without the prior written consent of Lessor. All additions and improvements of whatever kind or nature made to the Passenger Van shall immediately become the property of Lessor and be subject to the terms of this Agreement. Lessee understands that alterations will not be reimbursed at the end of the Agreement.
6. **Maintenance and Repair.** Lessee, at its own cost and expense, shall keep the Passenger Van in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep the Passenger Van in good mechanical and working order. Lessee shall exercise due care in the use and operation of the Passenger Van. Major malfunctions of Passenger Van requiring replacement or repair are the responsibility of Lessor. Major repairs and replacements would include by way of example but not limitation the engine, transmission, and pumping system, unless the damage was caused by misuse, negligence or abuse of the equipment by Lessee.

7. **Loss and Damage.** Lessee hereby assumes and shall bear the entire risk of loss and damage, whether or not insured, to the Passenger Van from any and every cause whatsoever. No loss or damage to the Passenger Van or any part thereof shall impair any obligation of Lessee under this Agreement. In the event of loss or damage of any kind whatsoever to the Passenger Van, or any part thereof, Lessee, at the option of Lessor shall: 1) place the same in good repair, condition, and working order; or 2) pay Lessor the then-market value of the Passenger Van, and obtain title to Passenger Van. The alternative as to whether to repair or pay the market value of the Passenger Van belongs to the Lessor, and may be exercised in his/her discretion.
8. **Surrender of Passenger Van.** Upon termination of this Agreement, unless other arrangements have been made or Lessee has acquired title thereto pursuant to Section 7, within 24 hours, Lessee shall return the Passenger Van to Lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone excepted, by delivering the Passenger Van at Lessee's cost and expense, to such place as Lessor shall specify within Lincoln County, Oregon.
9. **Insurance.** Lessee agrees to maintain insurance at all times during the duration of this Agreement. Lessee, at its own expense, shall maintain the Passenger Van insured with the following minimum limits and coverage: A Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000; shall maintain loss payable endorsement in favor of Lessor, and shall maintain auto liability, collision and comprehensive insurance of not less than \$100,000 for each occurrence. All such insurance shall name Lessor and Lessee as insured, and the policies shall provide that they may not be cancelled or altered without at least ten (10) days' prior written notice to Lessor and the loss payable endorsement shall provide that all amounts payable by reason of loss or damage to the Passenger Van shall be payable only to Lessor. Lessee shall deliver to Lessor evidence satisfactory to Lessor of all such insurance prior to Lessee taking possession of the Passenger Van.
10. **Taxes.** The rental amounts have been established taking into account the exemption of the Passenger Van from personal property tax. Lessee shall file all certificates or other documents necessary to ensure that the Passenger Van will be exempt from property tax. Further, Lessor has consulted its own tax advisor as to the taxable nature of this transaction and is not relying on the Lessee. In the event Lessee fails to ensure that the Passenger Van are exempt from property tax, Lessee shall pay all such personal property taxes when due.
11. **No Assignment by Lessee.** It is understood and agreed that Lessee's interest in this Agreement or the Passenger Van may not be assigned or otherwise transferred to another without the prior written consent of the Lessor.
12. **Indemnity.** Lessee shall defend and indemnify Lessor against, and hold Lessor harmless from any and all third party claims, actions, suits or proceedings, costs, expenses, damages and liabilities, including attorney's fees, arising out of,

connected with, or resulting from the Passenger Van, including without limitation the delivery, possession, use, operation or return thereof.

13. **Warranties.** Lessor makes no warranties, express or implied regarding the condition, quality, durability, capability, suitability, or fitness for the intended purpose of the Passenger Van. Lessee agrees to rely solely upon any warranties with respect to the Passenger Van provided by the manufacturer or vendor thereof. No defect in or unfitness in the Passenger Van, or failure of a manufacturer or vendor to perform, shall relieve Lessee of its obligation to pay rental amounts or to perform any other obligations under this Agreement.

14. **Attorney's Fees.** If suit or action is instituted in connection with any controversy arising out of this agreement, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court may adjudge reasonable as attorney fees at mediation, arbitration or trial, on petition for review, and on appeal.

15. **Notices.** Any communications between Lessor and Lessee, payments, and notices provided herein to be given or made, may be given or made by mailing the same to:

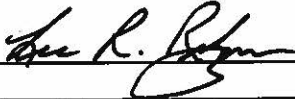
LESSOR: FRIENDS OF THE NEWPORT  
SENIOR ACTIVITY CENTER  
20 E. 2<sup>nd</sup> Street  
Newport, OR 97368

LESSEE: CITY OF NEWPORT  
169 SW Coast Highway  
Newport, OR 97365

Or, to such other addresses as either party may in writing hereinafter indicate.

LESSOR:

FRIENDS OF THE NEWPORT SENIOR  
ACTIVITY CENTER


By:   
Title: President

ATTEST:

  
~~Secretary~~ Registered agent

LESSEE:

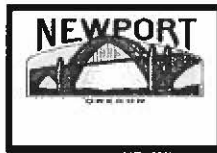
CITY OF NEWPORT

By:   
Title: City Manager

ATTEST:

Melanie Nelson  
~~Secretary~~ Executive Assistant





**AUTHORIZATION FOR  
AGREEMENTS, MOUs, OR  
OTHER DOCUMENTS OBLIGATING  
THE CITY**

All contracts, agreements, grant agreements, memoranda of understanding, or any document obligating the city (with the exception of purchase orders), requires the completion of this form. The City Manager will sign these documents after all other required information and signatures are obtained.

Document: 60+ Center Vehicle Lease Agreement Date: 3/3/20

Statement of Purpose: Renewal of Vehicle Lease Agreement for 60+  
Center Van

Department Head Signature: [Signature] 3/3/20

Remarks, if any: Updates were made to Section #1 and 3.

City Attorney Review and Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Other Signatures as Requested by the City Attorney: \_\_\_\_\_

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

Budget Confirmed: Yes ☒ No ☐ N/A ☐

Certificate of Insurance Attached: Yes ☐ No ☐ N/A ☐

City Council Approval Needed: Yes ☐ No ☐ Date: \_\_\_\_\_

After all the above requested information is complete and signatures obtained, return this form, along with the original document to the City Manager for signature. No documents should be executed prior to the City Manager's approval as evidenced by signature of this document.

City Manager Signature: [Signature] Date: 03-07-20

Once all signatures and certificates of insurance have been obtained, return this document, along with the original, fully-executed agreement, MOU, or other document to the City Recorder. A copy of grant agreement and all project funding documents, must be forwarded to the Finance Department for tracking and audit purposes.

City Recorder Signature: [Signature] Date: 3/10/2020

Date posted on website: 8/25/20