

VEHICLE LEASE

THIS VEHICLE LEASE ("Lease"), made and entered into this ____ of June, 2023, by and between the **BOROUGH OF HIGHSPIRE**, 640 Eshelman Street, Highspire, Pennsylvania, 17043 hereinafter called "Lessor" and **CITIZENS FIRE COMPANY NO. 1 OF HIGHSPIRE, PENNSYLVANIA**, a Pennsylvania non-profit corporation located at 272 2nd Street, Highspire, Pennsylvania, 17034, hereinafter called "Lessee."

BACKGROUND

A. Lessor is the owner of certain a 2005 Emergency-One 1500/780 Rescue Pumper Fire Truck (VIN# 4EN6AAA8651009675).

B. Lessee, in connection with its business operations, desires to lease the aforesaid vehicle Lessor under the terms and conditions set forth herein.

C. Lessor and Lessee desire to confirm their understanding in writing.

NOW, THEREFORE, the parties hereto, each intending to be legally bound, agree as follows:

- 1. Background.** The background set forth above is incorporated herein.
- 2. Leased Vehicle.** The vehicle which is the subject of this Lease is the 2005 Emergency-One 1500/780 Rescue Pumper Fire Truck (VIN# 4EN6AAA8651009675) referenced above. Hereinafter the above-described vehicle shall be called the "Fire Truck".
- 3. Lease.** Lessor agrees to lease and Lessee agrees to lease from Lessor, the Fire Truck listed in Paragraph two (2) on the terms and conditions set forth in this Lease.
- 4. Rent/Lease Payments.** The Lessee shall pay to the Lessor as rent for the use of the Fire Truck \$7,500.00 per year (\$625.00 monthly) for 12-years (144 months) or until the total amount of the lease (\$90,000.00) is paid Lessor.

5. Term. The term of this Lease shall commence on the receipt of the Fire Truck by Lessee and shall renew on an annual basis at the determination of the Borough. This Lease may be cancelled at any time upon the written consent of Lessor and Lessee or upon a default by the Lessee as determined by Lessor, or upon thirty (30) days' notice by either party to the other. In addition, this Lease shall be terminable upon five (5) days' notice by the Lessor to Lessee if any of the following conditions apply:

a. The Lessee is no longer the designated fire service provider for the Borough of Highspire;

b. The Fire Truck is taken out of service by Lessee or Lessee fails to maintain the Fire Truck during its normal life span in good operating condition, to include regular maintenance and annual Pennsylvania State Inspection;

c. The Lessee ceases operations as a functioning fire department or no longer responds to dispatched incidents, calls or requests for services, as determined by Lessor; and

d. The Lessee fails to adhere to all terms and conditions of the Lessor's Fleet Safety Program Policy ("Policy"), to include submitting a continuously updated list of all Lessee authorized personnel authorized to operate the Fire Truck and signed authorizations required under the aforesaid Policy.

6. Delivery and Acceptance. Lessee is responsible, at Lessee's own cost, to arrange for the delivery and operation of the Fire Truck. Lessee agrees to accept the Fire Truck in an "As Is" condition when it is or has been delivered and to sign any equipment acceptance supplied by Lessor. Lessee acknowledges that Lessor is not the manufacturer of the Fire Truck, nor a subsidiary or affiliate of the manufacturer, nor the manufacturer's vendor or agent. Lessor makes no express or implied warranties of merchantability or fitness for a particular purpose with respect to such Fire Truck and hereby disclaims the same. As to Lessor, Lessee leases the Fire Truck "As Is." In no event shall Lessor have any liability nor shall Lessee have any remedy against Lessor for consequential, special, incidental or punitive damages, or any other loss. Lessee has made the selection of the above Fire Truck based upon its own judgment, and expressly disclaims any reliance upon any statements or representations made

by Lessor. Lessor is not responsible for any repairs, service or defects in the Fire Truck or the operation thereof. Lessor transfers and assigns to Lessee for the term of this Lease all warranties, if any, made by the manufacturer.

7. Maintenance. Lessee is required, at Lessee's own cost and expense, to keep the Fire Truck in good repair, condition and working order, except for ordinary wear and tear, and Lessee will supply all parts and servicing required to maintain the equipment. All replacement parts used or installed and repairs made to the Fire Truck will become Lessor's property. Lessee acknowledges that Lessor is not responsible for providing any maintenance and/or service for the Fire Truck. Lessee will make all claims for service and/or maintenance solely to the supplier, vendor and/or manufacturer.

8. Title, Personal Property, Location and Inspection. Lessor owns the Fire Truck and Lessee has the right to use the Fire Truck for the lease term provided Lessee complies with all the terms and conditions of this Lease. The Fire Truck remains personal property and Lessee agrees not to permit a lien to be placed upon the Fire Truck, except a lien placed by Lessor, and a lien to Mid Penn Bank for partially financing its acquisition, nor to remove the Fire Truck from service or use without Lessor's prior written consent. Lessor also has the right, at reasonable times, to inspect the Fire Truck. Lessor agrees, to the extent they are assignable, to assign to Lessee, without recourse to Lessor, any warranties received by Lessor with respect to the Fire Truck leased herein.

9. Sublease. Lessee shall not have the right to sublease the Fire Truck or permit any third party to utilize the Fire Truck, at any location, without the specific written consent of Lessor. Any such sublease shall be null and void, and without any legal effect.

10. Compliance with Laws. Lessee shall, at Lessee's expense, comply with all laws and regulations relating to the use, operation and maintenance of the Fire Truck, and shall be responsible to pay all license fees and assessments and sales, use, property, excise and other taxes, penalties and interest now and hereafter imposed by any governmental body or agency upon the Fire Truck, or for the use thereof. In the event that any such fees, assessments, taxes, penalties and other interests attributable to the Fire Truck or to this Lease are paid by Lessor on behalf of Lessee or are found due after the expiration hereof, then upon

demand, Lessee shall immediately remit same to Lessor. The provisions of this Paragraph shall survive the expiration of this Lease.

11. Assignment. Lessee agrees not to transfer, sell, sublease, assign, pledge or encumber either the Fire Truck or any rights under this Lease without Lessor's prior written consent or as set forth in Paragraph 8 hereof. Lessee agrees that Lessor may sell, assign or transfer this Lease and if Lessor does, the new owner will have the same rights and benefits that Lessor now has.

12. Loss or Damage. Lessee is responsible for all risk of loss or destruction of, or damage to the Fire Truck. No such loss or damage relieves Lessee from any obligation under this Lease.

13. Binding Effect. This Lease shall be binding upon and shall inure to the benefit of Lessor, its successors and assigns and to the Lessee and any permitted assignee.

14. Indemnity. Lessor is not responsible for any losses or injuries caused by the installation or use of the Fire Truck. Lessee agrees to and does hereby indemnify, defend and hold harmless Lessor for and shall defend Lessor against any claim for losses or injuries caused by the Fire Truck including all attorneys' fees. This indemnity will continue even after the termination of this Lease.

15. Insurance. During the term of this Lease, Lessor will determine whether to keep the Fire Truck insured against risk of loss or damage in an amount or amounts determined by Lessor including, if any, the amount of the deductible coverage. Lessee will also obtain and maintain for the term of this Lease: Combined Single Limit Coverage for Bodily Injury and Property Damage of at least One Million Dollars (\$1,000,000.00); Uninsured Motorist coverage of One Million Dollars (\$1,000,000.00); Underinsured Motorist coverage of One Million Dollars (\$1,000,000.00); Comprehensive coverage for a stated amount of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) with a deductible of One Thousand Dollars (\$1,000.00); Collision coverage for a stated amount of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) with a deductible of Five Thousand Dollars (\$5,000.00). Lessor shall be named as an additional insured and loss payee on all insurance policies by Lessee. Lessee will pay all premiums for such insurance and shall deliver proof of insurance coverage to Lessor at any

17. UCC Filings and Financial Statements. Lessee authorizes Lessor to file a UCC Financing Statement with respect to the Fire Truck and grants Lessor the right to sign such UCC Financing Statement on Lessee's behalf.

18. Choice of Law. This Lease shall be deemed fully executed and performed in the Commonwealth of Pennsylvania and shall be governed and construed in accordance with the laws of that state. Lessee consents to and agrees that personal jurisdiction over Lessee and the subject matter of this Lease may at Lessor's option be with the Court of Common Pleas of Dauphin County, Commonwealth of Pennsylvania. Lessee agrees to waive its right to a trial by jury on all matters or disputes between the parties as it pertains to this Lease.

19. Notice. For the purpose of this Lease, any notices and demands required to be given shall be given to the parties in writing and by certified mail or delivery by overnight carrier at the addresses herein set forth, or to such other address as the parties may hereafter substitute by written notice.

20. Expiration. Upon expiration of the Lease, Lessee will immediately return the Fire Truck in as good a condition as received, less normal wear and tear, to such place as is then specified by Lessor.

21. Entire Agreement. This instrument constitutes the entire Agreement between the parties regarding the subject matter.

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IN WITNESS WHEREOF, intending to be legally bound hereby, Lessor and Lessee, each by a duly authorized officer, has caused this Fire Truck Lease to be signed and delivered, in duplicate, as of the day and year first above written.

LESSOR:
BOROUGH OF HIGHSPIRE

By: _____
Michael J. Anderson, Council President

Date: _____

LESSEE:
CITIZENS FIRE COMPANY #1 OF
HIGHSPIRE, PENNSYLVANIA

By: _____

Title: _____

Date: _____

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