

VEHICLE LEASE AGREEMENT

The parties hereto enter into this Agreement this 3rd day of July, 1996.

PARTIES:

Loren Berg Chevrolet
411 E. First Street
Newberg, Oregon 97132

City of Newberg,
an Oregon Municipal Corporation
414 E. First Street
Newberg, Oregon 97132

"Lessor"

"Lessee"

IN CONSIDERATION of the covenants herein contained, the parties enter into the following Agreement:

1. Lessor hereby leases to Lessee, upon the covenants, terms and conditions set forth, the motor vehicles listed in attachment "A" for a period of four (4) months. The motor vehicles will be exchanged for new motor vehicles which shall be listed in an updated attachment "A" and attached to this Agreement. Said Lease of the new motor vehicles shall be subject to the terms and conditions of this Agreement.
2. Lessor and Lessee expressly agree that for the term of this Agreement, Lessee is not and does not hereby become an agent, servant or employee of Lessor in any manner whatsoever.
3. Lessee acknowledges that said vehicles are the rightful property of Lessor, although registered title may be in some third party name during the term of this lease, and further acknowledges that it received said vehicles in good and safe mechanical condition. Lessee agrees that it will return said vehicles to Lessor at the location from which it was rented, or at such other location as specifically designated herein, in the same condition as received it (ordinary wear and tear accepted), at the expiration of the term of this Agreement, or sooner upon demand of Lessor.
4. Lessee covenants and agrees that said vehicles will not be operated in violation of any law governing the use or return thereof, or in violation of any of the other terms and conditions set out above.
5. Lessee may operate said vehicles outside the state of Oregon. Lessee has represented to Lessor that Lessee shall operate the vehicles for approximately 4,000 miles from mileage indicated at time of delivery. Lessee may operate vehicles beyond the 4,000 mile limit. However, if the mileage is substantially exceeded, the Lessee will be subject to a reasonable charge for the additional mileage. Upon mutual consent, Lessee may retain a specific vehicle

longer than the four (4) month period and shall exceed estimated 4,000 mile limitation, subject to additional charges to be agreed upon at the time the specific vehicle is retained for longer period.

6. Lessee expressly agrees to pay Lessor the amount of \$1,000 per month, commencing July 1, 1996, as a monthly lease payment for four (4) vehicles provided by Lessor. Said four (4) vehicles may vary, but should be consistent with the following criteria:

- (a) 3-5 years old;
- (b) mid-sized;
- (c) Equipped with air conditioning and automatic transmission;
- (d) Mileage typical for model year.

7. Lessee shall insure said vehicles under its automobile insurance policy consistent with other Lessee's vehicles.

8. Lessor shall pay for all maintenance and repair of vehicles not covered under Lessee's insurance policy and shall return said vehicles in a clean manner.

9. Lessee expressly agrees that the motor vehicles so leased shall not be operated:

- a. In violation of any of the terms and conditions of this rental agreement;
- c. By any person in violation of law as to age;
- d. To propel or tow any trailer or vehicle used as a trailer;
- e. By a Renter or Driver who has given a fictitious name or address to the Lessor;
- f. By any person under the influence of intoxicants or narcotics;
- g. For any illegal purpose;
- h. In any instance where the speedometer of said vehicle has been tampered with or disconnected.

10. The initial term of this Agreement is for one year from the date of this Agreement. However, this Agreement may be terminated in writing by either party by giving thirty (30) days written notice to the other party at any time.

11. The Lessee is a municipal corporation. The Lessee must comply with all Budgetary Laws of the state of Oregon. At any time, this lease may be cancelled if the Lessee deems that the Lessee needs to cancel the agreement due to fiscal budgetary constraints. This lease may also be cancelled if at any time if it is deemed by the City Attorney not to comply with the Budgetary and Public Contracting Law of the state of Oregon.

12. This Agreement, including all exhibits, and any and all amendments, modifications, and supplements duly executed by the parties in accordance with this Agreement, govern and

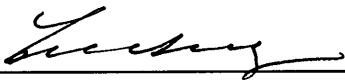
supersede any and all inconsistent or contradictory terms, prior oral or written representations or understandings, conditions or provisions set forth in any purchase orders, requisition, request for proposal, authorization of services, notice or other form or document issued by Lessee with respect to Lessor's services.

13. In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue to be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition or covenant shall not be construed as a waiver of a subsequent breach of the same by the other party.

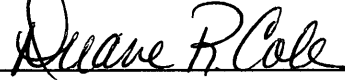
14. The parties shall hold harmless, defend and indemnify each other, its officers, agents and employees against all claims, demands, actions and suits (including all reasonable attorneys fees and costs) brought against any of them arising from Lessee's or Lessor's breach of any of the terms or conditions of this Agreement, their negligence, omissions or intentional misconduct arising from this Agreement.

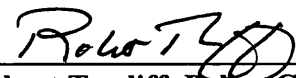
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

LOREN BERG CHEVROLET

By 
Loren Berg

CITY OF NEWBERG

By 
Duane R. Cole, City Manager

By 
Robert Tardiff, Police Chief

APPROVED AS TO FORM/CONTENT:

By 
Terrence D. Mahr, City Attorney

NOTE: ATTACHMENT "A" TO FOLLOW.

ATTACHMENT "A"

MOTOR VEHICLES LEASED:

July 1, 1996 to November 30, 1996

Year	Make	Model	ID No.	Mileage
1995	Chevrolet	Corsica	1G1LD55M8SY187091	34,540
1992	Chevrolet	Corsica	1G1LT53T7NY238467	78,850
1993	Chevrolet	Lumina	2G1WL14T2P9239635	50,100
1994	Chevrolet	Lumina	2G1WN14T6R9169795	23,800



GEO

LOREN BERG CHEVROLET-OLDSMOBILE-GEO, INC.
411 E. First St. • P.O. Box 49 • Newberg, Oregon 97132
Phone 538-3161 • Ptd. 226-0636

001790

DATE	RECEIPT No.	RECEIVED FROM	AMOUNT
7/3/96		City of Newberg	\$4000.00

CARB-N-WAX ©

HOW PAID	PAID ON
CASH ☐	ACCOUNT ☒
CHECK ☒	NOTE ☐
CREDIT CARD ☐	Auto Lease

BY Bonnie Bockert
Thank You!

FORM CDSA-508(3-82) A Receipt-Rite Product by Reynolds • Reynolds



GEO

LOREN BERG CHEVROLET-OLDSMOBILE-GEO, INC.
411 E. First St. • P.O. Box 49 • Newberg, Oregon 97132
Phone 538-3161 • Ptd. 226-0636

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DATE	RECEIPT No.	RECEIVED FROM	AMOUNT
7/3/96		City of Newberg	\$4000.00

CARB-N-WAX ©

HOW PAID	PAID ON
CASH ☐	ACCOUNT ☒
CHECK ☒	NOTE ☐
CREDIT CARD ☐	Auto Lease

BY Bonnie Bockert
Thank You!

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